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'INTERVENTION' REMAINS CHIEF TOPIC AT OAS

D'Escoto, Wagner Assail Shultz

PA122138 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 12 Nov 86

[Text] U.S. Secretary of State George Shultz has used the OAS as a podium to defend the United States' right to intervene in other countries if such intervention occurs in the name of democracy.

Shultz' statements set off consultations among various delegations, including the Argentines. Argentina is presently facing the occupation of the Malvinas Islands by Great Britain, the main U.S. ally.

Shultz' statements and his attempt to hold Nicaragua responsible for the Central American crisis provoked an immediate response from Nicaraguan Foreign Minister Miguel D'Escoto.

[Begin D'Escoto recording] People talk too much about the Central American problem. That is merely a euphemism used to confuse television viewers, radio listeners, and those who read the press. The Central American problem has a name: the United States and its interventionist policy. That policy does not allow our people to exert their full sovereignty in order to choose their own social, economic and political destiny. [end recording]

Peruvian Foreign Minister Alan Wagner was also categorical in his defense of the peoples' right to self-determination.

[Begin Wagner recording, in progress] ...in which there can be no unilateral interpretations. Not only are we committed to respecting the principle of nonintervention and the peaceful solution of conflicts, but these are also legal principles that have been incorporated into the OAS Charter. [end recording]

Shultz' defense of the intervention in Central America is confronted by the efforts made by the Contadora Group, which put together a draft resolution seeking the explicit support of the OAS Assembly for its peaceful efforts.

Besides the issue of the Malvinas, no agreement was reached with the United States regarding the drug problem. The Latin American countries said that the drug problem will not be solved as long as the United States fails to halt the drug consumption problem within its own territory. The United States is the market for the world drug traffickers.

Further D'Escoto Remarks

PA132018 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 13 Nov 86

[Text] The topics of Nicaragua and the Malvinas dominated the second day of debates of the OAS General Assembly. U.S. Secretary of State George Shultz left Guatemala after issuing warnings about the two issues.

[Nicaraguan Foreign Minister Miguel] D'Escoto said that because of the United States, the usurpation of Latin American sovereignty by British colonialism could not have been prevented in 1982.

[Begin D'Escoto recording] Unfortunately, we were unable to prevent the British colonialist forces from once again seizing that territory which is unquestionably Argentine and Latin American. Mr President, this could not be prevented because of the treason of a big power, a full member of this regional organization, and author of the TIAR [Inter-American Reciprocal Assistance Treaty].

In open violation of the commitments with Argentina and the other Latin American states, the U.S. Government facilitated its military infrastructure and its political support so that the seizure could be carried out to the detriment of the sister Argentine nation. Never before had it been made more clear that for the United States, pan-Americanism and continental solidarity are mere demagogic resources to be used solely to promote its hegemony and domination over the Latin American countries. That same superpower, which made possible the success of the extracontinental aggression against a country of the hemisphere, flagrantly violating the TIAR, is the same one that in the past used the TIAR to militarily intervene in many nations to prevent or to try to prevent our peoples from exercising integrity. [end recording]

McCormack, Tunnerman Comment

PA140130 Paris AFP in Spanish 2013 GMT 13 Nov 86

[Text] Guatemala City, 13 Nov (AFP) -- In a heated verbal exchange that took place before the OAS General Assembly, the United States and Nicaragua today blamed each other for the situation of war and the restriction of civil rights that currently exists in that Central American country.

U.S. Ambassador Richard McCormack, making use of his right to rebut the speech given by Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco on Wednesday, said that his country [passage indistinct].

Nicaraguan Ambassador Carlos Tunnerman said that "It is unheard of for one who practices the illegal policy of financing mercenary forces, whose activities have forced us to declare a state of emergency, to not only try and teach us a lesson human rights but to overlook the terrorist activities carried out by their mercenary forces."

McCormack also attacked the International Court of Justice [ICJ] ruling against this country. McCormack said that the ruling has "serious flaws" because "the court did not adequately review the substantial evidence presented by El Salvador on Nicaraguan intervention against that country."

Tunnerman said that many of the charges presented by McCormack were reviewed before the court issued its ruling.

In conclusion, Tunnerman defended his country's new appeal before the ICJ. Nicaragua presented a protest before the ICJ due to contra activities originating from Honduran and Costa Rican territory "because bilateral efforts have proven unsuccessful and in the face of the danger that border tensions will increase."

Tunnerman said that the UN and OAS charters allow Nicaragua to go before the ICJ. He also reiterated his support for the Contadora Group.

Costa Rica, Honduras, and El Salvador have refused to talk with Nicaragua and will maintain their position until Nicaragua withdraws its charges at the ICJ. These three countries are trying to get the OAS to support their position. However, Contadora and its Support Group are struggling against it.

After sharply criticizing the human rights situation in Nicaragua, McCormack said that "we now have a tyranny that is much worse than the one that was overthrown," (Somoza).

Acevedo, Tinoco View Contadora

PA130245 Hamburg DPA in Spanish 2351 GMT 12 Nov 86

[Text] Guatemala City, 12 Nov (DPA) -- Salvadoran Foreign Minister Ricardo Acevedo issued a statement to the news media today, in which he said Nicaragua "lacks the political will" for a strict control of its military weapons within the framework of the Contadora Group's document for peace in Central America.

He recalled his speech to the OAS General Assembly, in which he said that peace in the area "depends on the five Central American countries' political will," so "Nicaragua must be convinced" through the Contadora Group Mexico, Venezuela, Colombia, and Panama) to verify the control of its weapons.

Nevertheless, "Nicaragua creates an atmosphere which does not favor dialogue" by filing a writ against Costa Rica and Honduras at the International Court of Justice at the Hague, he added.

He emphasized that El Salvador is willing to continue exerting itself in order to renew the dialogue, "but we want a sincere dialogue" from Nicaragua's side.

Likewise, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco, who was left as head of his country's delegation today upon Foreign Minister Miguel D'Escoto's departure, asserted to the journalists that the Central American crisis lacks a "flexible" attitude from the United States, and not Honduras and Costa Rica, because these two countries "harden" their position when the United States increases its pressure. He said that Costa Rica and Honduras "are tremendously dominated by the United States' policy and they follow Washington's orders."

Meanwhile, Guatemalan Foreign Minister Mario Quinonez answered some questions and said that Contadora will not be a failure as long as it remains active. "Central America has not rejected Contadora." and is only waiting for the obstacles to be removed to hold a dialogue, he added.

Caputo Shultz Reviewed

PY102150 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 10 Nov 86

[By NA special correspondent]

[Text] Guatemala, 10 Nov (NA) -- The meeting that Foreign Minister Dante Caputo and is U.S. counterpart George Shultz held tonight was the result of a talk they had on 1 November.

Caputo held a private meeting with Shultz in one of the rooms of the Dorado Hotel in Guatemala where most of the heads of missions participating in the 16th annual OAS meeting are staying.

This morning, Raul Alconada Sempe, Argentine under Secretary for Latin American affairs, and other members of the Argentine delegation worked very hard to prepare the agenda of the talks between the two foreign ministers.

The Argentine diplomats have been working together with their Uruguayan counterparts led by Foreign Minister Enrique Igiesias. The Uruguayan delegation is sponsoring a draft declaration on the Malvinas issue.

Diplomatic sources have revealed to NOTICIAS ARGENTINAS that there are strong possibilities that the United States will support a declaration warning that the British decision to extend the economic exclusion zone to 150 miles "is jeopardizing peace in the South Atlantic."

The meeting between Shultz and Caputo is the result of a 25-minute telephone conversation between the two officials on 1 November. During this conversation the U.S. head diplomat stated that his country had not received any advance warning from London about the latter's intentions.

On that occasion, Shultz, speaking from his rural residence in California, promised to go to Guatemala especially to address the Malvinas issue.

The telephone conversation came in the wake of a secret meeting that Caputo held in Montevideo with U.S. Assistant Secretary of State for Inter-American Affairs Elliott Abrams.

On 1 November Abrams went to Caputo's private residence in Olivos to continue the talks that started in Montevideo. In October President Raul Alfonsin held a telephone conversation with his U.S. counterpart Ronald Reagan. The Argentine president reaffirmed that Argentina would not use force to resolve this new upsurge of the Malvinas conflict.

Caputo 'Absolutely' Satisifed

PY122214 Buenos Aires TELAM in Spanish 1656 GMT 12 Nov 86

[By a special TELAM envoy]

[Text] Guatemala City, 12 Nov (TELAM) -- Argentine Foreign Minister Dante Caputo today stated that the Argentine delegation to the OAS debate on the Malvinas is absolutely satisfied with the results because he believes that it has been clearly understood that the only way to solve the problem is through negotiations and not unilateral decisions.

He said that every day Argentina takes the initiative to making contacts or to start talks about the Malvinas Islands, however, as he pointed out: Let's see if the British are capable of sitting at a table to negotiate.

In a statement today in this capital where he heads the Argentine delegation to the OAS general meeting, Dante Caputo said that the resolution adopted by the OAS last night is a good foundation from which to work within the UN framework.

He pointed out that considering the average results of the approval for the Malvinas Islands resolution, the most important thing to note is that, in the first place, a consensus was reached over the concern about the unilateral measure adopted by the United Kingdom. Second, he said that it is important not to unilaterally introduce new elements which create tension and conflict in the hemisphere.

Above everything, however, he said that there has been absolute consensus regarding the Argentine Government's basic idea for the need to diplomatically negotiate all the aspects that keep Argentina and the United Kingdom apart, including of course, the Malvinas Island sovereignty issue. Caputo concluded by saying that the consensus reached last night in the OAS meeting is unprecedented, and that Argentina has felt the solidarity of all the Latin American and Caribbean sister countries.

Quinonez Notes 'Consensus'

PA120414 Panama City ACAN in Spanish 0215 GMT 12 Nov 86

[Text] Guatemala City, 11 Nov (ACAN-EFE) -- Guatemala was pleased today with the resolution adopted by the OAS Permanent Council on the British-Argentine conflict over sovereignty of the Malvinas Islands as there was a consensus of "a united America." Guatemalan Foreign Minister Mario Quinonez Amezquita, chairman of the General Assembly of the 16th OAS session, said "I think Argentine Foreign Minister Dante Caputo presented the problem excellently."

He feels that "the most important thing is having obtained a consensus for the Argentine claim, because this means there is a unity of America, formed by North America, Central America, South America and the Caribbean." Quinonez Amezquita added: "It seems to me that having voiced one single will is the most important achievement of this meeting."

The OAS Permanent Council was convoked by Argentina and met from 1130 to 1930, along with the assembly of that inter-American organization. Quinonez Amezquita added that "as Foreign Minister Caputo said, most important is the solution and the consensus of the Caribbean countries."

The resolution of the OAS political organization "voices its most fervent wishes that Argentina and the United Kingdom enter peaceful negotiations, which is very important," the Guatemalan foreign minister stated.

Explaining the Guatemalan stand on the British-Argentine conflict over the South Atlantic archipelago, Quinonez Amezquita stated: "We uphold Argentina's right to sovereignty over the Malvinas Islands." He emphasized that "England wanting to extend its power over the marine shelf, means depriving Argentina of the sovereignty it had over the territorial sea that legally belongs to Argentina." Expressing his appreciation for Latin American and Caribbean solidarity, Foreign Minister Caputo said that Argentina will continue negotiations at the United Nations, as a warlike conflict with England is ruled out "because we will continue with a dialogue until we reach an understanding."

VESSELS IN FALKLANDS ZONE MUST REPORT CATCHES

PY131748 Madrid EFE in Spanish 1605 GMT 13 Nov 86

[Text] Port Stanley, 13 Nov (EFE) -- It was reported here today that all the fishing boats which are authorized to fish in the exclusion zone around the Malvinas Islands will have to report their catches daily.

This announcement was made by Peter Denham, chief fishing inspector of the British Ministry of Agriculture.

Denham has just spent 1 week in the Malvinas archipelago, supervising the implementation of the decision made by the government in London to establish a 150-mile fishing exclusion zone around the Malvinas Islands.

Denhan stated that surveillance in the area will be conducted by two coast guard vessels and an airplane, adding that all the ships that transport their catches to ports in the archipelago will be inspected.

Denham also announced that a continuous scientific assessment of the fishing reserves in the area will be made "so as not to kill the goose that lays the golden egg."

The British Government's decision to create this fishing exclusion zone has been rejected by Argentina, which claims sovereignty over the Malvinas Islands, and has prompted protests from the countries whose fishing fleets operate in that area.

FOREIGN MINISTER RETURNS FROM OAS ASSEMBLY

PY132334 Buenos Aires TELAM in Spanish 2257 GMT 13 Nov 86

[Text] Buenos Aires, 13 Nov (TELAM) -- Upon his return to this capital, Argentine Foreign Minister Dante Caputo said that the resolution on the Malvinas Islands issued by the OAS Permanent Assembly was a success.

The Foreign Minister said that with the broad support that was obtained, we will be able to continue with our struggle and diplomatic efforts. The minister was thus referring to the debate, regarding the Argentine-British conflict, which will be held at the United Nations on 24 November.

The presidential plane Tango-01 arrived at the Metropolitan airport at 1920 [2200 GMT].

CONGRESS REFUSES TO RECONSIDER HUANCHACA REPORT

PY132110 Paris AFP in Spanish 1453 GMT 13 Nov 86

[Excerpts] La Paz, 13 Nov (AFP) -- In a session that concluded early this morning, the Bolivian Congress refused, despite harsh criticism by the opposition, to reconsider its report on the Huanchaca case, which involves a triple murder and the accidental discovery of a cocaine factory.

Pro-government congressmen stated that President Victor Paz Estenssoro's government is in fact engaged in the struggle against drug trafficking, but its adversaries have tried to use this serious problem to attack the democratic regime. [passage omitted]

Socialist Deputy Roger Cortez stated that the crime was committed due to the negligence and complicity of DEA agents who knew of the existence of the Huanchaca cocaine factory since 3 August 1986. This report has forced Congress to organize an investigative committee before which DEA agents Jimmy Bradley and Jesus Gutierrez refused to testify claiming their diplomatic status.

On 10 November 1986, Deputy Edmundo Salazar Terceros was murdered in Santa Cruz, 1,000 km east of La Paz. Salazar was a member of the committee investigating the Huanchaca case. He had stated that there ministers, because they acted leniently, were also responsible. This new crime has led some opposition sectors to demand the resignation of Interior Minister Fernando Barthelemy.

Government Curfew After Murder

PY122120 Paris AFP in Spanish 1532 GMT 12 Nov 86

[Text] La Paz, 12 Nov (AFP) -- Interior Ministry sources today reported that the government of President Victor Paz Estenssoro has imposed the curfew in Santa Cruz, 1,000 km east of La Paz, to help with the search for the murderers of Deputy Edmundo Salazar Terceros. Salazar Terceros was machinegunned on the evening of 10 November as he was getting out of his car, which he had parked in front of his house.

During the curfew, which will begin at midnight, neither vehicles nor people will be allowed to circulate in Santa Cruz. The sources also reported the arrest of 14 suspects, presumably linked with drug traffickers, who are believed to have murdered the deputy.

The Santa Cruz branch of the Bolivian Labor Confederation (COB), has decreed a 24-hour strike for 12 November as a tribute a Salazar Terceros. The executive branch decreed a day of national mourning for the same day, during which activities will be carried out as normal. Several other sectors have repudiated the murder of the deputy, who was a member of the congressional committee which investigated the Huanchaca case, the triple murder, and the discovery of a cocaine factory.

The La Paz and Santa Cruz university federations blamed the murder on drug traffickers and on the Paz Estenssoro administration which, they charge, has not protected the members of the committee. The Federation of Bolivian Press Workers (FTPB) maintained that the objective of the murder of Salazar Terceros is to intimidate congressmen and journalists who want to eradicate drug trafficking. The Revolutionary Leftist Front (FRI) has again demanded that Interior Minister Fernando Berthelemy resign on the grounds that he is unable to cope with drug traffickers. Berthelemy has answered that the government cannot grant the demands of a very small party like the FRI.

Murder Suspects Detained

PY130138 Paris AFP in Spanish 1907 GMT 12 Nov 86

[Text] La Paz, 12 Nov (AFP) -- The National Police Command today reported that more than 100 suspects in the murder case of Bolivian Deputy Edmundo Salazar have been detained in Santa Cruz, in the eastern part of the country.

It has been reported that the intelligence services of the Interior Ministry and of the Bolivian police are conducting the investigations and there are good clues that might lead to the arrest of the perpetrators of the crime, which took place on 10 November when the deputy was machinegunned at the door of his house. Armed Forces' commander General Raul Lopez Leyton has stated that the troops in Santa Cruz have been mobilized and are controlling the highways and airports to prevent the murderers' escape.

Salazar was a member of the congressional committee investigating the Huanchaca case -- involving a triple murder and the discovery of a cocaine factory -- which is considered the most important in the Bolivian drug trafficking affair. As a result of this, opposition congressmen, Salazar among them, have accused three ministers and the police chiefs of having acted leniently and sluggishly to rescue the bodies and repress the drug traffickers.

Sandoval Claims Murder Plot

PY081107 La Paz La Red Panamericana in Spanish 0000 GMT 8 Nov 86

[Excerpts] In an item datelined La Paz, the news agency EFE has reported the following:

Luis Sandoval Moron, leader of the ruling Nationalist Revolutionary Movement, MNR, has reported that there are plans to kill him as a consequence of his charges alleging Interior Minister Fernando Barthelemy's involvement in drug trafficking.

In a telephone interview granted to the daily HOY, the politician, who lives in Santa Cruz, said Interior Minister Fernando Barthelemy has ordered that he be killed. Barthelemy reportedly has sent several Interior Ministry agents to Santa Cruz for this purpose. Sandoval Moron has charged Barthelemy with being involved in drug trafficking and of protecting trafficking operations, which, he says, have increased considerably during the minister's administration.

Sandoval said: Barthelemy will order a prosecutor to take legal action against me on charges of slander and, claiming that I have resisted, his agents will murder me. I make this charge publicly and hold Minister Barthelemy and President Victor Paz Estenssoro responsible for wanting to use this criminal method to silence me because I have denounced the conspiracy between the executive branch and the drug traffickers.

Minister Barthelemy has denied Sandoval's accusations and has said that he will sue Sandoval for slander.

In solidarity with his brother, Migration Under Secretary Willy Sandoval Moron has tendered his irrevocable resignation. In a letter to the interior minister, the resigning under secretary stated that the national situation has worsened as a result of the escalation of drug trafficking, particularly following the Huanchaca case. [passage omitted]

Livestock and Campesino Affairs Minister Edil Sandoval Moron has not commented on the position of his two brothers.

Ministry Provides Protection

PY101521 La Paz La Red Panamericana in Spanish 1130 GMT 10 Nov 86

[Text] The Public Relations Department of the Interior Ministry has announced in a note delivered to La Red Panamericana that the Interior Ministry has instructed the Santa Cruz National Police to provide protection to politician Luis Sandoval Moron. Here is the most important part of the note:

In view of the fear expressed to the press by Mr Luis Sandoval Moron that an attempt might be made on his life, the Interior Ministry and its agencies have instructed the Bolivian Police Command of Santa Cruz to provide permanent protection to Luis Sandoval Moron.

INTERIOR MINISTRY ARRESTS SOCIALIST LEADERS

PY131857 Paris AFP in Spanish 1443 GMT 13 Nov 86

[Text] La Paz, 13 Nov (AFP) -- The Socialist Party One (PS-1) leadership today reported here that 16 PS-1 leaders were arrested last night by Interior Ministry agents while they were holding a meeting. According to the authorities, the police operation resulted from the efficiency of the state of siege which restricts individual rights, public rallies, and meetings.

The PS-1 meeting was presided by Jose Hugo Moldis, who is a councilman for the La Paz municipality.

BRIEFS

NEW STATE TV DIRECTOR -- Journalist Ricardo Ocampo has been appointed director of Bolivian state television Channel 7. He was sworn in by Information Under Secretary Irwin Alcaraz because Information Minister Herman Antelo had to attend a cabinet meeting. [Summary] [La Paz La Red Panamericana in Spanish 1130 GMT 5 Nov 86 PY]

COCAINE PROCESSING PLANT DISCOVERED -- Santa Cruz -- A cocaine processing plant has been discovered in the Colonia Aroma region, near Montero, 65 km north of Santa Cruz. Two and half kilograms of cocaine were seized at the site and Marcelino Perez Marin was arrested. [Summary] [La Paz EL DIARIO in Spanish 21 Oct 86 p 8 PY]

INDUSTRIES CLOSED, WORKERS JOBLESS -- La Paz, 5 Nov (AFP) -- From August 1985 to October 1986, 112 industries closed in Bolivia, according to Javier Lupo Gamarra, president of the National Chamber of Industries. He also said the active industries are working at 39 percent of their capacity, and the number of industrial workers has decreased from 50,000 to 30,000. [Summary] [Paris AFP in Spanish 1458 GMT 5 Nov 86 PY]

SARNEY DISCUSSES ECONOMY, POLITICAL CLIMATE

PY132140 Sao Paulo VEJA in Portuguese 12 Nov 86 pp 5-10

["Text" of interview granted by President Jose Sarney to VEJA reporters J.R. Guzzo and Elio Gaspari at the Alvorada Palace in Brasilia on 10 November]

[Excerpts] VEJA: What changes can be expected in the economy after this week's elections?

Sarney: We will continue to do what we are doing. We will continue to make strategic corrections whenever necessary. The Cruzado Plan is not an end in itself. It is an instrument intended to provide the country with economic stability. Of course, nothing we do is perfect. By the way, no country in the world can say that everything is perfect about its economy. Therefore, we have to make corrections and fix flaws in order to improve people's lives. But the changes, which, by the way, are already being carried out, have nothing to do with the election results.

VEJA: How do you evaluate the current situation of the Cruzado Plan?

Sarney: At this time, we are moving from an emotional to a rational stage. In February, inflation -- inflation plus monetary correction -- was driving us into a situation in which Brazil would have become completely ungovernable. At that time, we did what we thought we had to do, disregarding the political cost and considering only the people's well-being. It should be recalled that the political climate was not the best at the time. There were rumors of resistance, discontent, and even general strike. Once the economic reform was announced, however, the people showed extraordinary support for it. We could not have foreseen such a favorable reaction. The people became aware of their status as citizens of the country. Now, 8 months later, the time for "Sarney's overseers" has passed. "Sarney's overseers" were in fact overseers of their own rights, who were motivated by their emotions. But that moment has passed. Now, rationality prevails, we have to be rational. To oversee, participate, and defend one's rights are prerogatives of the citizen. "Sarney's overseers" were important, because they created a new sense of being a citizen.

VEJA: Today, Brazilians seem more interested in finding the products they want than in controlling prices. Would this be a characteristic of the rational stage you referred to?

Sarney: No, I do not believe things are that way. The poor people do not pay more than the frozen prices for what they buy. They stand in line and wait their turn to buy goods at the frozen price. Some sectors of society are willing to pay more, and are not interested in the frozen prices. These are the members of sectors that could always afford consumer goods. Now they have to compete with the popular masses, who have just entered the market, for a place in the purchaser's line. The workers' real buying power has increased by 30 percent. Those who could not buy before can buy now. This is why we have shortages. But we are not running the risk of a general crisis of supplies. The most visible shortages have developed in the areas of animal protein -- beef, chicken, and eggs -- and medicines. And we must not forget speculation, which is always present, by which people take advantage of these problems to engage in profiteering. [passage omitted]

VEJA: How do you think these problems can be solved?

Sarney: The solution is to grow. We simply have to increase production to meet the needs. We must realize that production cannot be increased overnight. Miracles cannot be performed. We cannot have economic and social progress without making sacrifices. There is no country in the world where everyone is satisfied all the time. Someone is always losing money. It will have to be the same in Brazil. My concern about the Brazilian situation is alleviated by the fact that the ones who are losing here are precisely the ones who can absorb the losses.

VEJA: Do you believe that the Brazilian Government is carrying its share of the burden of sacrifices?

Sarney: I believe it is. The public deficit this year will be restricted to 2.5 percent of the GDP. Last year, the deficit was 3.8 percent, and early this year, those who are most pessimistic predicted that the public deficit would be 7 percent of the GDP by December. I believe we have made considerable progress. Obviously, we have to increase the efficiency of Brazilian state operations. The problem of Brazilian public administration is not the quantity of public servants, but rather the quality of service. In fact, the deficit is caused by three main factors: the foreign debt, the domestic debt, and the subsidies to wheat, milk, alcohol, and sugar. The government has cut the budget of the state-run companies as much as it could. This year's losses should be less than $10 billion cruzados. [passage omitted]

VEJA: Don't you believe that such losses are still a heavy burden for the taxpayers?

Sarney: In general we believe that in some sectors of economic activities, state-run enterprises are necessary. My personal conviction, however, is that the state is a good manager only for short periods of time. We cannot continue in an economic situation in which we are semisocialist and semicapitalist. If we have made a choice for free enterprise in this country, then we have to go ahead with it. We have to do this because there can be no political freedom without economic freedom. Whenever economic freedom is restricted in a country, political freedom is consequently curtailed. However, looking at this issue from a different angle, we cannot encourage an archaic form of capitalism in Brazil. We must understand that we have to consolidate free enterprise, making it more free and daring. We must not nurture illusions about a market of monopolies and oligopolies, some sort of capitalism without risk taking and with cheap labor. [passage omitted]

VEJA: In your opinion, what do the elections mean?

Sarney: We cannot believe that society must only seek economic development and that everything else will result from it. This is an illusion. Economic development and political stability go hand in hand. In this regard, we must pay attention to this important fact: We have gone through a democratic transition in this country, but we still have to consolidate a democratic regime. Democracy has not yet been fully installed in the country. The desire for freedom is in people's heart, but freedom has yet to take root in the institutions. We have yet to build many things. We have to build strong political parties. With great political effort we have installed a civilian government in Brazil. We have to move forward and further so that what we have accomplished does not collapse. We cannot have a "Prague Spring" here in Brazil. [passage omitted]

Sarney: The Constituent Assembly will strengthen economic freedom, and emphasize the institutionalization of social rights. I imagine that in this regard we will go beyond the effort to simply institutionalize political and economic freedoms. I believe that this trend will be positive. I feel it is appropriate to point out that we must have adult expectations as to what the Constituent Assembly can do. We need a modern form of capitalism. It is not possible to meet the desires of everyone at the same time. Just imagine a situation in which businessmen have a country where price agreements can exist, profits are guaranteed, interest rates are always subsidized, risks never exist, and there is protection against foreign competitions. Imagine a situation in which workers receive increasingly higher salaries, and have the right to vandalize the factories to get what they want, to take the place of executives, to have the right to strike for no real reason, and then, at the end of the month, to get their salaries promptly paid. Obviously, no country can survive under these conditions. Thinking about Brazil's future, we should find a way to treat those childhood maladies that can be described as the capitalism of businessmen's clubs and workers' bars. [passage omitted]

VEJA: What do you think of the proposals to reduce your term of office from 6 to 4 years?

Sarney: My term will have the duration the country's political forces believe it should have. If the proposal to shorten my term is approved, fine. For me, personally, it does not make any difference. I do not have personal political plans. I do not have ambition for power. My only objective is to serve the country and to fulfill my mission.

VEJA: How do you view the idea of reelection to the presidency?

Sarney: I am against this idea.

VEJA: What if the Constituent Assembly decides that the president can run for reelection?

Sarney: Obviously, I will not run for reelection. I have already told you that I do not accept the idea of reelection.

FUNARO PREVIEWS CHANGES IN CRUZADO PLAN

PY140001 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 13 Nov 86

[Text] Changes in the Cruzado Plan: Finance Minister Dilson Funaro has confirmed that the Cruzado Plan will be adjusted. However, he said that false speculation regarding these changes is causing trouble in the country. This afternoon in Brasilia Funaro declined to announce the decisions to be made next week. However, he guaranteed that the income tax will not be increased, that the salary readjustment will be maintained, and that the Cruzado Plan will not be devalued. [as heard]

[Begin recording] [Funaro] We do not need to devalue the Cruzado Plan. However, these rumors affect the dollar exchange rate on the black market, increasing its price, harming Brazilian exports, and creating problems in our economy. These rumors do not help Brazil. I believe that all of us should remain calm. The government is studying measures that will maintain all the principles of the Cruzado Plan. Prices will not be unfrozen, as has been published. We will maintain the objectives of the Cruzado Plan.

Whenever we make small corrections, they will be aimed at maintaining Brazilian development, growth, and our commitment to those who receive low salaries.

[Unidentified reporter] Minister, what can you say about a compulsory saving of the 13th salary, as was published today?

[Funaro] I have never heard anything about this. This is another faleshood that is circulating. [end recording]

FORMER NUCLEAR OFFICIAL PROTESTS MILITARY ROLE

PY130216 Soa Paulo FOLHA DE SAO PAULO in Portuguese 11 Nov 86 p 16

[By correspondent Armando Ourique in Rio de Janeiro]

[Text] President Jose Sarney last month signed a decree subordinating the CNEN [National Nuclear Energy Commission] to the Office of the Presidency. In fact, however, that decree brought Brazilian nuclear policy planning under the control of the military cabinet, which can now set priority on completing the construction of the Angra II nuclear plant or on the construction of a nuclear submarine, the technology for which is being developed at the CNEN research department, which coordinates the parallel (read military) program.

This was the main reason civil and nuclear engineer Xamuset Campello Bittencourt resigned from his position as executive director for the security area and as a member of the CNEN deliberative council on 31 October. Campello Bittencourt left the positions he had occupied for 4 years at the CNEN to support suggestions from the Nuclear Program Evaluation Commission that the CNEN should be divided.

Campello Bittencourt believes that research activities must be transferred from the CNEN to Nuclebras and that nuclear installation safety must remain under the CNEN. Safety should be monitored by a collegiate body, some of whose members should be representatives from universities, which should be accountable and subordinated to a national Congress committee. Since 1967, Campello Bittencourt has worked at the CNEN, the Furnas Electric Company, and Nuclebras.

FOLHA: Why did you resign from the positions you held at the CNEN until 2 weeks ago?

Bittencourt: The committee in charge of evaluating the nuclear program recommended that the CNEN be divided into two organs. One of them to deal with nuclear research and develpment and the other to operate as a regulatory agency in charge of establishing operational standards and safety regulations. However, a decree issued in the 2d week of October subordinated the CNEN to the presidency, shifting control from the Mines and Energy Ministry. The area of nuclear safety and protection against radiation is specifically technical. The decision to subordinate this area to the presidency had given some hope for independence. However, we found out that we are subordinated to the National Security Council. Decree-Law 1,909, dated 7 October 1980, established a protection system that placed nuclear safety and protection against radiation under the jurisdiction of the National Security Council. Now that the CNEN has been transferred to the presidency, the CNEN's subordination to the council has become even stronger.

Thus, we are linked to a military organ and we see no reason for this. The recommendations issued by the evaluating committee must be followed if they are to yield any results. This means that nuclear security must be subordinated to the presidency, and that another organ must be in charge of research and development.

FOLHA: Considering that the presidential decree has not split the CNEN, to which group of presidential advisers will the CNEN be subordinated?

Bittencourt: In one word, to the National Security Council and to the military household. (General Rubens Bayma Denys is both the secretary general of the National Security Council and the chief of the military household). Consequently, the nuclear program is now under the military household.

FOLHA: Do you believe that the decree issued in October has strengthened Armed Forces control over the CNEN research area, in which the parallel program is being developed?

Bittencourt: Who makes the decisions in a parallel program? I believe that the CNEN's research activities should be transferred to Nuclebras (instead of remaining under the CNEN and, as such, under the military household). There is a nuclear program being developed by Nuclebras, which is legally responsible for the fuel cycle. The nuclear program should be a single unit. I do not see why part of it should go to Nuclebras and the rest remain within the CNEN. Nuclebras must be capable of developing the nuclear program to produce electric power from nuclear sources.

I do not know who is planning the parallel program. The parallel program is tied to the Navy program. By the way, I believe that the Navy program, the purpose of which is to build a nuclear submarine, has shown that Brazil is capable of developing its own nuclear technology provided the funds and determination exist to attain the objective. I believe Nuclebras does have this capacity.

FOLHA: Are you concerned over the fact that since the CNEN is actually subordinated to the military household, the latter might give orders on priority goals in military and nuclear areas, without due consideration to technical criteria?

Bittencourt: Yes, I am. The way things are, this concern is justified. Who designs the nuclear policy? The CNEN is legally charged with advising the presidency on nuclear matters. The decree has tied the CNEN to the military household. Who will then design the parallel program? I think there is concern over this point. And there are other economic factors as well. Nuclebras has its own program. It is slowly building Angra II, and its investments might even be lost, considering there is equipment in storage. It is necessary to conduct a study to identify the investments that must be given priority treatment.

FOLHA: What is the top objective of the presidency and the military household? Is it Angra II and the generation of electric power from nuclear sources, or is it the parallel program?

Bittencourt: The Nuclebras program is subordinated to the Mines and Energy Ministry. The Planning Ministry grants the funds for Angra II. The parallel program is funded by other sources. The funds for the parallel program come from the CNEN and probably from the Navy, which is conducting a program for the construction of a nuclear submarine. This is a military program. The subordination to the military household has thus placed a military program under the CNEN.

FOLHA: What are the other areas of the parallel program?

Bittencourt: The parallel program involves the development of materials, instruments, and all the components that might be necessary for a national program. It is necessary because the developed countries have banned the exportation of technology that might allow Brazil to become self-sufficient in this area. Consequently, it is necessary to produce these materials here.

ARCHER VIEWS NEGOTIATIONS ON INFORMATICS LAW

PY130011 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Nov 86 p 42

[Text] The next round of negotiations on the Informatics Law between the Brazilian and U.S. Governments will be held in the first half of December, Science and Technology Minister Renato Archer yesterday revealed in Brasilia. The initiative of proposing another meeting before the end of the year came from the office of White House special envoy Clayton Yeutter, through a note sent to the Brazilian Embassy in Washington. The Brazilian Government received with satisfaction that note on 4 December.

Archer would not reveal the date and the place for the next meeting. He only said that Paris and Washington are excluded. According to the minister, the Brazilian Government does not intend to modify the Informatics Law just because of U.S. threats. President Reagan set 31 December as the deadline for Brazil to modify its Informatics Law or face U.S. trade retaliations.

Archer stated that the government will not be compromised in its application of the Informatics Law. He said "I don't try to be accomodating about the law." He then said that the members of the Brazilian delegation who will participate in the upcoming third round of negotiations with the United States will convene on 17 November to discuss the position to be adopted.

Some diplomats at Itamaraty, however, admit that negotiations with the United States would go better if the formation of joint ventures were made simpler. As the Brazilian negotiators were told at the first Paris meeting on 2 July past, the Americans want joint ventures to be made simpler and the requirement for the transfer of technological expertise to the Brazilian partner to be eliminated. This request would help the interests of the U.S. multinationals, which would be allowed to manufacture in Brazil without being forced to transfer technology.

According to Archer, the Brazilian Government will be in the position to present the negative list -- products that are not included in the SEI [Informatics Special Secretariat] list and that can be freely imported. Archer also said that the MCT [Science and Technology Ministry] will send to President Sarney, "on the first working day after the elections [17 November]," the resolution dratts referring to juridicial protection, registration, and marketing regulations. Regarding these resolution drafts, Archer said that he hopes that they will be included in the special sessions of Congress to be held immediately after the elections on 15 November.

Speaking in Rio de Janeiro on 10 November, Burroughs Electronics President Henry Eicher said that his company will increase its efforts to sell computers and military equipment to the Brazilian Government. This new approach follows Burroughs' recent purchase, of the U.S. company Sperry, one of the largest manufacturers of defense and aerospace equipment.

Through a simultaneous telephone hookup with over 50 countries, Burroughs President Michael Blumenthal announced that the name of the new company formed by the Burroughs-Sperry merger will be Unisys, which stands for United Information Systems. The new company is the second largest of its kind in the world, after IBM. Before the merger Burroughs was the third largest company, the second largest being DEC [Digital Equipment Corporation].

CONTADORA MINISTERS TO MEET IN RIO 19-20 DEC

PY121319 Paris AFP in Spanish 2317 GMT 11 Nov 86

[Text] Brasilia, 11 Nov (AFP) -- The Brazilian Foreign Ministry today reported that the Contadora Group and Contadora Support Group foreign ministers will meet in Rio de Janeiro on 19 and 20 December 1986.

The Contadora Group includes Colombia, Mexico, Panama, and Venezuela. The Support Group includes Argentina, Brazil, Uruguay, and Peru.

In principle, the Contadora Group and Contadora Support Group foreign ministers will have to assess the prospects of resuming the mediation process with the five Central American countries that are engaged in the regional crisis.

These five countries are Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua.

The Contadora process reached a stalemate in June when it proposed a peace accord to the five Central American countries.

Only one of the countries included, Nicaragua, expressed its willingness to discuss the regional crisis based on the peace accord.

COCAINE PROCESSOR, RINGLEADER PIZARRO ARRESTED

PY070112 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 6 Nov 86

[Text] The Sao Paulo police have arrested a man who is considered the biggest cocaine processor in Brazil and Bolivia. His name is Orlando Pizarro, 55. Thirty-four years ago he worked for the police. He has been the [acronym indistinct] administrative chief. Pizarro also led a drug trafficking ring that sold drugs in Sao Paulo night clubs, according to his own confession. In addition to Pizarro, Bolivian citizen Roberto Ramirez Fernandez also has been arrested.

PINOCHET LASHES OUT AT OPPOSITION POLITICIANS

PY131320 Paris AFP in Spanish 0300 GMT 13 Nov 86

[Text] Santiago, 12 Nov (AFP) -- Chilean President General Augusto Pinochet today stated that his government will struggle tirelessly until the principles and tenets of true freedom are a reality for every person and in every home in the fatherland.

The head of state said that those who at a given moment thought that military intervention would be a mere digression in the country's political life, made the serious mistake of disregarding the commitment that the Armed Forces and the forces of order have had with the Chilean destiny throughout history.

Speaking at a Chilean businessmen's meeting, Gen Pinochet lashed out at the opposition politicians who, owing to their shady deals, promises, and political arrangements, have destroyed national businesses. Pinochet added that the country knows these people very well, and that his government -- installed in 1973 after a military uprising that overthrew President Salvador Allende -- will struggle for the principles and tenets of true freedom.

Gen Pinochet stated that we will fulfill the mandate that the people have sovereignly given us, and together we will consolidate a renewed democratic institutionality, and lead Chile toward a greatness that history has deemed appropriate.

In accordance with the 1980 Chilean Constitution, President Pinochet will stay in power until 1989, when he will have governed for 16 years.

INDUSTRIAL, COPPER PLANTS VENTURE WITH PRC

PY131500 Paris AFP in Spanish 2227 GMT 12 Nov 86

[Text] Santiago, 12 Nov (AFP) -- Chile and the PRC are planning a joint venture for the construction and administration of three large industrial plants. This venture would represent a great leap forward in the relations that began 15 years ago.

The industrial plants will be built in the PRC and one of them will manufacture copper pipes for buildings and refrigerators with 60 percent meant for domestic consumption and 40 percent for export. This plant will replace an existing plant in Beijing. Another plant will manufacture copper electrical wiring, and the third plant will manufacture iodine and by-products, according to a confidential preagreement.

Both countries will put up the same amount of investment capital, the amount of which has not been revealed. However, it is known that in the case of the copper industry, Chile will also contribute technology and perhaps raw material. Regarding the production of iodine, which is widely used in the medical field, the basic product will be supplied by the Chilean Chemical and Mining Corporation [Soquimich], which has large and virtually unique nitrate fields in the northern Chilean desert.

Chile is currently the major copper exporter, and has the largest working copper mines and reserves. Spokesmen said the study for the agreement to install the copper pipes factory is in its final stage, and will possibly be signed by the beginning or middle of next year. The PRC will participate through its China National Nonferrous Metals Import and Export Corporation while Chile will be represented by the State Copper Corporation, owner of the four largest copper deposits in the country and Madeco [Copper Manufactures, Inc.], a private company which is an old manufacturer of copper sheets, tubes, and wires.

Meanwhile, experts from the two countries are visiting British industries which could provide designs, infrastructure, and equipment.

According to the Chilean Finance Ministry, the progress in the negotiations for the copper electrical wiring plant will depend on the speed with which the PRC can provide housing and other buildings. Chile has always been interested in participating in trade with the PRC because of its large market potential, Finance Ministry Under Secretary Manuel Concha Pas said. Fifteen years after the establishment of relations (which remained unaltered by the military regime that ousted the leftist government that opened the reactions), the two countries maintain a growing exchange, with a trade balance favoring Chile.

Chile sells copper, saltpeter, molybdenum, fish meal, and cellulose to the PRC, and buys clothing, tools, and medium-sized machinery, according to Under Secretary Concha. He also said Chile is one of the PRC's main Latin American trade partners. Trade between the two countries dropped at the beginning of the decade, because of the world recession crisis. However, this year trade increased by nearly 10 percent, and will once again surpass $150 million.

In the near future, Chile plans to increase its oil purchases from the PRC while the PRC intends to buy larger amounts of saltpeter from Chile to use a fertilizer for its beet and tobacco plantations. Another sector with possibilities, besides the unusual partnership in industrial plants, is the supply by the PRC of agricultural equipment and medium-sized hydroelectric power plants.

Among the 19 countries that maintain relations with the PRC, Chile occupies the fourth place, coming after Argentina, Brazil, and Mexico.

VALDES RETURNS FROM EUROPE DESCRIBES VIEWS

PY110152 Santiago Radio Chilena in Spanish 2200 GMT 10 Nov 86

[Excerpt] Gabriel Valdes, presdient of the Christian Democratic Party, this afternoon returned to Chile after touring Europe. He told this radio station that if he could, he would invite Foreign Minister Jaime del Valle to hear what people think of the regime Del Valle serves. Valdes added that a mature democracy prevails in Europe in reply to the statements made by Jaime del Valle in relation to Valdes' trip to Europe. Valdes said:

[Begin recording] First of all, I would like to say democracy prevails all over the world. There is a real democratic solidarity of which Del Valle perhaps is not aware because he is not working in a democratic regime. Democracy is a regime that advocates solidarity. [end recording]

Valdes added: Unfortunately, Del Valle cannot go. However, I was invited by governments. I met with five prime ministers, chiefs of states and members of parliaments who are concerned over the Chilean situation. Valdes described his trip as very interesting. He attended two congresses, one in Bonn and another in Mainz. The one in Mainz was organized by the French Social Democratic Center and was attended by ministers and international officials. Referring to how Europeans see Chile, Valdes said:

[Begin recording] Chile is seen as being far away, isolated, small and practically ignored except for the news about Chile, which is not the type of news we Chileans would like to hear abroad. [end recording]

Valdes added he is going to hold a press conference to give details of his trip. [passage omitted]

CORREA TO INITIATE 'CAMPAIGN' TO RELEASE STUDENTS

PY080255 Santiago Radio Chilena in Spanish 2200 GMT 7 Oct 86

[Excerpt] Their firm decision to struggle for the release of five others who are still under arrest was expressed by political and neighborhood leaders, German Correa, Mario Araneda, and Luis Mena Matamala, who were set free this afternoon. They had been under arrest for 60 days on order from the Interior Ministry, which never told them why they were being held under custody.

Secretary General of the Popular Democratic Movement, MDP, German Correa, told Radio Chilena that they attributed their release to the great solidarity their arrest had elicited. (I wonder what it is like to "elicty"!)

[Begin Correa recording] An hour ago, we were told by the officers of the 3d Police Precinct that Mario Araneda, Luis Mena Matamala, and myself were free. We came out just as we went in: Not knowing the cause for our arrest or the reason for our release. No doubt our release has to do with the great solidarity demonstrated by friendly peoples, governments, grass-roots organizations, both at home and abroad. Our arbitrary and unjust arrest continues to affect five other colleagues who are being kept here at the 3d Police Precinct, without charges. We will immediately initiate a campaign to obtain their release, and work together with the solidarity committee that has been formed and all the groups that have been working to this end. [end recording]

By virtue of the state of siege, Enrique Paris, Catholic University Student Federation Vice President; Guillermo Sherpin, AGECh [Trade Union Association of Chilean Teachers] under secretary; neighborhood leaders Eugenio Valenzuela and Mario Lopez; and Rafael Marotto, remain under arrest at the 3d Police Precinct.

German Correa said that both the Investigative Policy and the Carabineros police precinct treated them in a cordial and professional manner, although the number of visits they could receive had been restricted in the last few days.

[Begin Correa recording] The treatment we received during the 56 days we were held at the Investigative Police and the remaining 55 days we spent at the 3d Police Precinct was professional, correct, and respectful. We cannot complain in this regard. Only in the last 15-20 days were visits quite restricted; no more than one visit per day was allowed. This no doubt was done on instructions from the Interior Ministry. [end recording]

Neighborhood leader Mario Araneda said his arrest lasted 64 days, because he was arrested before the state of siege was imposed. [passage omitted]

Paris Detention Causes Concern

PY122146 Santiago Radio Chilena in Spanish 1600 GMT 12 Nov 86

[Excerpts] The Pontifical Catholic University Teachers Association has publicly expressed its concern over the lengthy detention of Enrigue Paris, vice president of the Catholic University of Chile Students Federation. The student leader has been held for more than 2 months at the 3d Carabineros Police Station, and the government has not yet brought any charges against him. [passage omitted]

Sergio Galilea, director of the teachers association, stated that his association has conducted a number of actions seeking to protect the right of the students federation vice president. A request for a meeting was also submitted to the interior minister, but no answer has been received so far. He stated:

[Begin Galilea recording] We want to publicly express our concern over Enrique Paris' situation, and we once again reiterate our request that he be released.

We also want to refer to the forthcoming elections of the students federation, an event considered by the teachers association as very important. We feel that it is desirable that all sectors participate in these elections, including the faction represented by Paris. [end recording]

Rovira Convicted of Subversion

PY071843 Madrid EFE in Spanish 1412 GMT 7 Nov 86

[Text] Santiago, 7 Nov (EFE) -- Gonzalo Rovira, vice president of the Chilean Federation of Students (FECH) has been sentenced to 2 years, 10 months, and 18 days imprisonment for "inciting subversion, disorder and the overthrow of the government." Special Judge Alberto Novoa released the student leader on parole.

The lawyers of the Chilean military government presented charges against Rovira after he, together with several other students, illegally occupied the premises of the University of Chile on 30 June.

HUMAN RIGHTS ACTIVIST VALENZUELA RELEASED

PY120110 Santiago Radio Chilena in Spanish 2200 GMT 11 Nov 86

[Excerpt] The Interior Ministry has annulled the decree ordering the arrest of Eugenio Valenzuela Carvajal, who is a member of the Human Rights Committee of Davila district. He was set free after being held under arrest for 67 days without being charged.

Lawyer Eduardo Loyola, a member of the Socialist Party who was held under similar circumstances, has called for solidarity with four other people who are still under arrest in the 3d Carabineros Precinct.

[Begin Loyola recording] The people who are still being held in the 3d Carabineros Precinct are: Guillermo Sherpin, a member of the FECH [Student Federation of Chile]; Enrique Paris, a member of the Catholic University Student Federation; Mario Lopez, a Pudahuel slum resident; and priest Rafael Maroto. These people, like many others, have not been charged with anything. Although some people have been set free, it is not understood why the government has not set all of them free, because they are not guilty of any crimes. [end recording] [passage omitted]

FARC: PARAMILITARY GROUPS THREATEN TRUCE

PA100457 Panama City ACAN in Spanish 0022 GMT 10 Nov 86

[Text] Managua, 9 Nov (ACAN-EFE) -- Rebel leaders said here today that operations by paramilitary groups in Colombia threaten the truce between the country's guerrillas and the Virgilio Barco government.

Ivan Marquez, spokesman of the Revolutionary Armed Forces of Colombia-People's Army (FARC-EP), warned that if Barco's liberal government does not control the paramilitary groups, it "may lead to a break in the truce."

The FARC-EP, which wants the truce to continue, maintains 27 guerrilla fronts in Colombia, while waiting for the government to implement political, social, and economic reforms "the country needs," he added.

Marquez, who as a leader of the Patriotic Union [UP] carries out "political work" in the Colombian Congress on behalf of the FARC-EP, charged that the paramilitary groups have connections with the army, the police, and the landowners.

Marquez is one of the delegates attending the FSLN'S 25th anniversary celebration, which took place yesterday in Managua.

The leader said that the FARC-EP National Directorate has made a proposal to the government to purge the Colombian Army by punishing the "criminals" involved in torture and assassination.

According to Marquez, the country's paramilitary groups have killed over 300 UP militants, including parliamentarians Leonardo Posada, Pedro Nel Jimenez, Rafael Reyes Malagon, and 20 other councilmen.

He also explained that the UP, which is a broad movement comprised of "vanguard" parties and organizations with differing ideologies, has been forced to create "security groups."

Marquez said later that the UP has created this "self-defense" system in order to defend its leaders, who are threatened by the paramilitary groups. He claimed to be among those receiving death threats.

The UP leader said that the 3,000 patriotic boards throughout the country have been instructed to organize security groups. "Now we will have to go around armed and accompanied by armed bodyguards," Marquez said. He said this is in response to the advance of "militarism" in Colombia.

Marquez, the representative of the Colombian insurgents led by Manuel Marulanda Velez ("Tirofijo"), addressed newsmen in this capital. He was accompanied by Jaime Caicedo, leader of the Communist Party of Colombia, and by Commander Jaime Guaraca.

According to the Colombian guerrilla representatives, the problems that led to the emergence of the armed groups in 1948 still exist today in today in Colombia. They siad that the guerrilla movement has expanded to the point that there are now eight insurgent groups. This, they added, is the result of the problems like unemployment, poverty, the lack of land and housing, and the lack of respect for human life.

They also said that the Colombian Army has tried to resolve the situation through the use of force and military operations but has not succeeded.

In conclusion they said that, as a result, new guerrilla groups have emerged in areas where they previously did not exist.

MINISTER URGES UP CONGRESSMEN TO RETURN TO SEATS

PA121725 Bogota Emisoras Caracol network in Spanish 1215 GMT 12 Nov 86

[Text] Bogota -- Government Minister Fernando Cepeda Ulloa has reiterated the governemnt's commitment in the normalization and reconcilation process when he renewed the promise to offer personal guarantees to Patriotic Union [UP] leaders.

In a speech given at Congress to deplore the withdrawal from it by UP leaders, Cepeda Ulloa said that the government expects these congressmen to return to their seats soon to continue the democratic dialogue and competition for political power using the weapons that are characteristic of political life: harmony, peace, and intelligence.

The minister noted that Communist Deputy Eusebio Prada, who was wounded in Villavicencio, had police protection but did not use it yesterday morning.

I, together with the government, reiterate our offer for guarantees -- within the framework of the situation being experienced by Colombia -- to the UP leaders, members, and offices, Cepeda Ulloa remarked.

HIRED ASSASSINS WOUND PATRIOTIC UNION DEPUTY

PA121426 Bogota Television Service in Spanish 0000 GMT 12 Nov 86

[Text] The Colombian Army is fighting the guerrillas in several departments of the country. Meanwhile, in Villavicencio today, Patriotic Union [UP] Deputy Eusebio Prada Diaz was seriously wounded by two hired assassins, who were killed by the police near the attack site. The assassins also wounded another person. Prada Diaz is in critical condition.

On their part, the UP staged demonstrations in several cities of the country and announced that they will not return to Congress until their members throughout the national are assured the necessary guarantees and President Barco meets with them. In Congress, they said that their participation will depend on measures established to protect UP members in Colombia.

PRESIDENT CALLS GONZALEZ' VISIT 'VERY POSITIVE'

PA112210 Madrid EFE in Spanish 1844 GMT 11 Nov 86

[Text] Guayaquil (Ecuador), 11 Nov (EFE) -- Ecuadoran President Leon Febres Cordero said today that the visit of Spanish Prime Minister Felipe Gonzalez "was very positive for Educador from all points of view."

Febres Cordero made this statement to the press at the Guayaquil airport, after seeing off Prime Minister Gonzalez, who departed for Lima.

According to Febres Cordero, Gonzalez' visit not only served to "attain the signing of three financial protocols connected with important works in Ecuador" for a total of $77 million, but also marked the beginning of cooperation between the two governments.

President Febres Cordero added: "In addition to the matters related to financial and technological assistance, we talked very seriously about finding the mechanisms to somehow improve the trade relations between Ecuador and Spain."

Febres Cordero said: "We concluded that we are dealing basically with competition problems but that we have to improve prices to stabilize the trade balance."

The Ecuadoran president pointed out that Felipe Gonzalez heard "our opinion regarding Nicaragua and the regrettable problem of the Malvinas."

"We also talked about the need to expand the cultural agreement," Febres Cordero said and added: "The fact that both countries speak the same language and have similar cultures favors any intiative taken to reach a very ample, cultural agreement that benefits the two countries."

Febres Cordero said that Spain's presence in the EEC can be of great benefit for Latin America, "because by speaking the same language and knowing our idiosyncracies and our problems Spain can be a bridge to improve the relations between all of Latin America and the EEC.

The trade problems between Latin America and the EEC, he said, stem from "specific protectionist policies" from the European countries toward our continent.

Gonzalez, who was on a 3-day visit in Ecuador, today departed for Lima, the second phase in his Latin American tour, which will end in Cuba on 16 November.

GONZALEZ DESCRIBES RELATIONS AS 'VERY GOOD'

'Small Problems' Persist

PY132155 Madrid EFE in Spanish 1510 GMT 13 Nov 86

[Text] Lima, 13 Nov (EFE) -- Spanish President Felipe Gonzalez today said that the relations between Spain and Peru are "very good" but admitted that "small problems," which prevent the expansion of cooperation and financing, still persist.

During a press conference on his last day of his official visit to Lima and before signing a joint communique with Peruvian President Alan Garcia, Gonzalez said: "I hope that these small problems will be resolved."

Spanish diplomatic sources have told EFE that these "small problems" refer to two projects for the construction of some 30 penitentiaries by the "GUVARTE" company and another project to build 70 markets by the "EMEX" company.

These two projects, totaling some $100 million, were contracted by the former governments of Fernando Belaunde in Peru, and Leopoldo Calvo Sotelo in Spain. These projects have been halted since the American Popular Revolutionary Alliance (APRA) of Alan Garcia came to power.

Gonzalez added that any Peruvian petition to expand credits (currently there is a $250-million credit line that is virtually exhausted and Peru is asking $200 million more) will depend on the fact that these problems are resolved.

The contention resulting from these two projects is the reason why Spain closed public export credits for Peru in October 1985.

Bomb Found Near Hotel

PY131340 Paris AFP in Spanish 0314 GMT 13 Nov 86

[Text] Lima, 12 Nov (AFP) -- Police have reported that unknown terrorists tonight left a home-made bomb 100 meters from the downtown Bolivar Hotel, where Spanish Prime Minister Felipe Gonzalez is staying.

The bomb had been placed inside a doll and left at the intersection of Jirones Ocona and Caylloma Streets. The antiterrorist police, using special equipment, exploded the bomb without causing any damage. According to the police report, the bomb was made of potassium chlorate, aluminum sulphate, and dynamite, which are the chemical products that are used by the Maoist Shining Path in its terrorist actions.

The police on guard in the neighborhood of the Bolivar Hotel discovered the doll that contained the bomb at 0930 (0230 GMT). Approximately 100 policemen immediately cordoned off the streets adjacent to the hotel, where the Spanish prime minister is staying during his visit.

All traffic has been detoured away from the area adjacent to the Bolivar Hotel and the first few blocks of Colmena Avenue as an added security measure for the visiting prime minister and his entourage.

'Important Speech'

LD132246 Madrid Domestic Service in Spanish 0700 GMT 13 Nov 86

[Passages within quotation marks recorded]

[Text] At the moment Spanish foreign policy is centered on Latin America. The prime minister is in the last few hours of his official visit to Peru. In Lima Felipe Gonzalez delivered an important speech to the Peruvian parliament. A report on this from Javier Arenas in Lima:

[Arenas] A long-awaited rousing message of unity is the phrase which sums up the comments made following the speech by Felipe Gonzalez in the Peruvian Congress -- a tribute to the Spanish prime minister from this country's bicameral parliament in which Felipe Gonzalez sought to express his solidarity with the efforts being made to consolidate its democratic sytem. Democracy and liberty were the words emphasized most by Felipe Gonzalez in his longest and warmest address of this Latin American tour. He expressed his hope for this continent in which, he said, the windows of liberty have been opened:

[Gonzalez] "I hold a hope I want to publicly express: that as the historic date of 1992 [5th centenary of the discovery] approaches, however analyzed, it is a point of reference. It may be a point of arrival or a point of departure, but let's imagine that it is a point of arrival at an aspiration which all of us here are surely going to share -- the aspiration that there isn't a single Latin American who does not enjoy freedom, who has to live outside his country and who has to suffer imprisonment for his ideas."

[Arenas] Felipe Gonzalez, who spoke in the Peruvian capital about the pained democracies such as ours [reference to terrorism in the two countries], did not pass over the sore point of the external debt here in the capital of the Latin American country which owes most to Spain. He did so with the conviction that you have to take into account the necessary balance between the reduction of the debt and development of the peoples:

[Gonzalez] "I know that a technical-accounting response to the problem of the debt is impossible -- and not only is it impossible, it is unfair. On the other hand, it would be fair to try and respond on the basis of development, on which the debt problem can be tackled with prospects for the future. But I have always tried to say what think with honesty, and I believe that, conversely, you cannot generate an international financial crisis. Therefore, there is no procedure other than dialogue, concord and agreement at international level -- an agreement which cannot be based, as I said, on an economic-accounting view or on an exclusively political view which is unable to measure the risk of a crisis in the international financial system."

[Arenas] This morning, the final act of this official visit to Peru will be the signing of a joint communique and the ratification by the foreign ministers of an agreement on the integral cooperation plan in Peru, encompassing projects with scheduled financial investment of $2.5 million. In 12 hours' time the destination will be Havana, the third and last stage of this tour of Latin America by Prime Minister Felipe Gonzalez.

Gonzalez Departs For Cuba

PY132006 Paris AFP in Spanish 1938 GMT 13 Nov 86

[Text] Lima, 13 Nov (AFP) -- Spanish Prime Minister Felipe Gonzalez left for Cuba at 1425 (1925 GMT) today ending a 51-hour official visit to Peru. Gonzalez, who in Cuba will end his tour through three Latin American countries that started in Ecuador, was bade farewell with military honors by Peruvian President Alan Garcia at the military base of Lima Airport.

CAPUTO, IGLESIAS RECEIVED BY PRESIDENT GARCIA

PY132354 Paris AFP in Spanish 1929 GMT 13 Nov 86

[Text] Lima, 13 Nov (AFP) -- Argentine Foreign Minister Dante Caputo today thanked Peru for its solidarity with Argentina regarding the Malvinas Islands problem, because, he said, happen what may, we know that we will be together. Caputo made this statement after meeting with his Uruguayan counterpart Enrique Iglesias and Peruvian President Alan Garcia in the Peruvian Government House.

Caputo and Iglesias arrived yesterday night by surprise from Guatemala, where the OAS meeting supported the Argentine diplomatic offensive against the British decision of exerting greater control over the waters around the Malvinas Islands.

After President Alan Garcia bade him farewell, Minister Caputo told local journalists that two phrases summarize the Argentine Government's position: firmness to defend the national patrimony, and prudence in using reason to defend that patrimony.

The Peruvian president recalled that he traveled last 3 November to Buenos Aires just to express his solidarity with the Argentine government and President Alfonsin, not to take the limelight, but rather to put himself at the service of Argentina, for whatever it may need or decide.

Alan Garcia also expressed his hope that Argentina will receive many more votes of support at the UN Assembly next week.

Garcia, Caputo, and Iglesias met last night at the Spanish Embassy together with Spanish Prime Minister Felipe Gonzalez, Spanish Foreign Minister Francisco Fernandez Ordonez and Peruvian Foreign Minister Allan Wagner.

Felipe Gonzalez this morning qualified the meeting as casual, and he added that the Malvinas Islands subject was discussed. He said that Spain's position regarding this problem is the same as that of the countries that support Argentina.

Caputo said that he came to Lima this time to reiterate his thanks to Peru and President Alan Garcia for his fraternal gesture of going to Buenos Aires to express solidarity. He told journalists that now he wished to extend his thanks to the Peruvian people whom Argentines consider as brothers because Argentines know that happen what may, we will be together.

The Argentine foreign minister defined the current situation in the Malvinas as being without any news, from the practical point of view.

We continue patrolling all the Argentine sea, we have not moved one centimeter from our limits. Nothing else can be done. We have undertaken a diplomatic offensive which was successful at the OAS meeting yesterday, Caputo said.

Uruguayan Foreign Minister Iglesias made a brief statement saying that Uruguay attended the Guatemala meeting to support Argentina, and to promote a consensus that will produce a regional support for Argentina's right.

PRIME MINISTER HAILS ECONOMY, ANNOUNCES BUDGET

PY131949 Lima Radio del Pacifico in Spanish 1300 GMT Nov 86

[Text] Prime Minister and Economy Minister Luis Alva Castro yesterday said that there will not be any harmful minidevaluations or gasoline price increases.

Alva Castro made these remarks at the Crillon Hotel after opening the first consultative foreign debt meeting by representatives of nonaligned and developing countries.

The minister added that the GDP will grow by aggressively promoting exports and emphasized the government's achievements during the past 15 months.

He said that the government will maintain its current economic policy because the rules of the game have already been clearly established. Alva said: We have succeeded in gradually stabilizing price increases and inflation, in dedollarizing the Peruvian economy, and in increasing both employment and the people's purchasing power.

According to the minister, a most important point is that we have met our goal regarding the GDP growth.

Among other announcements, Alva said that the national budget for 1987 will total 70 trillion soles, that is, 70 billion intis. He said that no other country has achieved what Peru will achieve: a balanced budget.

TUPAC AMARU, SHINING PATH MEMBERS ARRESTED

PY111419 Lima Radioprogramas del Peru in Spanish 1820 GMT 10 Nov 86

[Report from Lima City Hall by Carlos (Geraldito)]

[Text] Personnel of the Directorate against Terrorism of the Investigative Police have struck a heavy blow against subversion by arresting one member each of the Tupac Amaru and Shining Path subversive groups during the so-called Elections Police Operations.

According to the police report, one of the detainees is Luis Varese, a founding member of the Tupac Amaru subversive group, who has a long police record of participating in several terrorist attacks.

PRESIDENT, OPPOSITION LEADER DISCUSS DEADLOCK

PY121805 Paris AFP in Spanish 1445 GMT 12 Nov 86

[Text] Montevideo, 12 Nov (AFP) -- It was reported here today that Uruguayan President Julio Sanguinetti and opposition leader Wilson Ferreira Alduante last night held a private meeting to find a way out of the political crisis which the country is experiencing.

Sanguinetti, together with Ferreira Aldunate, who is a member of the centrist National Party, discussed the possibility of reaching a partisan agreement on the serious issues that have brought the political situation to a stalemate: human rights, an extreme lack of of expediency in Congressional negotiations, and frequent clashes between the government and the opposition.

In the past few days, sources of the various political parties have suggested an early congressional election, which is a recourse provided for under the constructive in case on or several ministers are censored.

At this moment, the ruling Colorado (Liberal) Party does not have a majority in either of the two chambers that comprise the legislative branch.

Sources close to the government have said that the meeting between the president and Ferreira Aldunate was just preliminary to another meeting to be held within the next few hours.

DE LA MADRID DISCUSSES ECONOMIC PROBLEMS

PA120219 Mexico City XEW Television Network in Spanish 1300 GMT Nov 86

[Text] President Miguel de la Madrid has said that Mexico is going through a particularly difficult stage, and that by the end of the year the Mexican economy will probably have lowered the gross national product by four points. [sentence as heard] The president made this statement during a meeting he held at the Los Pinos presidential residence with Chinese correspondents of the XINHUA news agency.

During the meeting, the president said his government is adopting the necessary measures to confront the current problems, but he said that our economy is at a standstill and, therefore it is necessary for the industrialized countries to give greater opportunities to Mexican exports.

President Miguel de la Madrid mainly referred to the foreign debt and said that it has grown excessively in recent years. He added that the high value currency and interest rates have turned debt payments into a very heavy and important burden for the Latin American countries. Speaking to the Chinese correspondents, the Mexican president emphasized that international economic cooperation should come from various directions, and to do this the industrialized countries must coordinate their policies.

President Miguel de la Madrid also explained the reasons for his forthcoming trip to China. He said that both the Chinese and the Mexicans are willing to become better friends and seek areas of cooperation that will benefit these two great nations.

TRADE BALANCE DROPS 59.1 PERCENT IN 1986

FL131945 Mexico City NOTIMEX in Spanish 0150 GMT 13 Nov 86

[Text] Mexico City, 12 Nov (NOTIMEX) -- According to a report from the National Bank of Foreign Trade (Bancomext), the reduction of oil prices and exports has created a 59.1 percent drop in Mexico's trade balance.

The report adds that total exports during the first 9 months of this year decreased 30 percent in comparison with the same period in 1985, dropping from $16,123.5 million to $11,292 million.

Imports decreased 12.2 percent from $10 billion to $8.794 billion.

Foreign oil sales during January-September this year totalled $4,540 billion, which represents a decrease of 58.9 percent in comparison with 1985 sales.

In reference to foreign sales of oil and petrochemical byproducts, these dropped by $648 million (55.7 percent less) in comparison to the 1985 level. The decrease was due to fuel oil, butane gas, and gasoline [sales].

On the contrary, the report indicates that export income from the non-oil sector during the 9-month period in 1986 totalled $6.752 billion, representing an increase of $1.661 billion (32.6 percent) in comparison to the same period in 1985.

As of January, the report says, foreign sales of non-oil products have represented 59.8 percent, more than half, of the total exports during the first 9 months of 1986. During the same period in 1985, these sales represented 31.6 percent [of total exports].

Exports of manufactured products have continued to recover since the last quarter of 1985. This is reflected in the positive monthly growth rate reached in September. The statistics for the first 9 months of 1986 show an increase over the 1985 total of $3.739 billion by more than $1 billion (26.8 percent), reaching a total of $4.740 billion.

BRIBERY CHARGES AGAINST DRUG FIGURE DROPPED

F1132342 Mexico City NOTIMEX in Spanish 2236 GMT 13 Nov 86

[Text] Mexico City, 13 Nov (NOTIMEX) -- The fifth Judge on Penal Matters, Jose Jiminez Gregg, has reported that at the request of the first district judge in Guadalajara, Oscar Vazquez Marin, bribery charges filed against drug trafficker Refael Caro Quintero and his accomplice Nicolas Flores Almazan will be dismissed.

Jimenez Gregg reported that the request submitted by judge Vazquez Marin, the Jalisco Third Circuit Unitary Court, revoked the formal arrest warrant filed against Caro Quintero and Flores Almazan because of insufficient evidence.

Flores Almazan will be released within the next few hours but Caro Quintero will remain in prison because he also has pending charged filed against him for crimes against health in all its possibilities and homicide, for which he is being tried in Guadalajara, Jalisco.

Judge Jimenez Gregg said the accused were told about the decision this afternoon. Flores Almazan was told at the Southern penitentiary and Caro Quintero at the Northern penitentiary where they are imprisoned.

PRESIDENCY ANNOUNCES RESIGNATION OF 3 MINISTERS

PA131400 Panama City CRITICA in Spanish 13 Nov 86 p 2

[Text] The Press Secretariat of the Presidency of the Republic last night reported that Housing Minister Roberto Velasquez, Public Works Minister Efrain Zanetti, and Health Minister Carlos de Sedas presented their resignations to the president of the Republic yesterday afternoon.

It has also been learned that Agricultural Development Minister Bruno Garisto and several directors of decentralized institutions placed their positions at the disposal of the president.

Panamanian President Eric Arturo Delvalle is expected to announce over the weekend the names of those appointed to new cabinet posts.

FOREIGN MINISTER U.S. TREATY 'VIOLATION'

PA131541 Panama City ACAN in Spanish 0334 GMT 13 Nov 86

[Text] Guatemala City, 12 Nov (ACAN-EFE) -- Panamanian Foreign Minister Jorge Abadia Arias today asked the inter-American community to take note of the "arbitrary" violation of the text and spirit of the Torrijos-Carter canal treaties by the United States.

Foreign Minister Abadia Arias brought the issue of noncompliance of the Panama Canal treaties, which were signed by the United States and Panama in 1977, before the OAS General Assembly in Guatemala City.

The violation of the canal treaties was presented from the beginning as an "important" issue because "peace must be based on reciprocal concessions and the fulfillment of agreements."

The Panamanian foreign minister accused "shady and retrogressive forces of attempting to foil the aspirations of the American nations by abusing the forces' economic power."

Abadia Arias said that what is involved "is an attempt to hide or mask their guilt and responsibility because of the signs of decomposition in their own societies."

President Carter and General Torrijos signed the treaties which established a new relationship in regard to the canal. The American nations "greeted this event as the end of an era of submissiveness of the weaker to the orders of the stronger," Abadia Arias said. The Panamanian diplomat added that "7 years later, this enthusiasm has been replaced with perplexity, indignation, and a painful certainty that we are confronting a new struggle."

The foreign minister said that "according to the 1977 treaties, a binational organization should have been created to handle all matters related to the canal and to oversee the fulfillment of the principles of joint administration."

"However, a U.S. law (96-70), which was approved after the signing of the treaties -- a unilateral law -- establishes the rules and regulations that restrict Panama's participation," Foreign Minister Abadia Arias explained.

The foreign minister added that "this is a violation of the conditions established, and that it had also opened the doors for other violations of a more specific nature that harm Panama's sovereign dignity and result in serious material damage."

Abadia Arias recalled that the United States' most important commitment is to hand over the Panama Canal free of financial obligations on 31 December 1999.

However, the foreign minister explained that "the U.S. canal commission has adopted some accounting practices that deprive Panama of the benefits it has a right to."

The Panama Canal Commission is comprised of five U.S. members and four Panamanian members.

Abadia Arias also said that the United States has not carried out the necessary work to improve the waterway so that it can meet the growing demands of international maritime traffic.

"If the United States hands over the canal without those improvements, the canal will not be in a condition to operate efficiently as established in the treaties," Abadia Arias said.

He added that his government does not want "this situation to become a seed of discord or for it to create problems, but that the government is determined to put an end to all the violations."

"This," Abadia Arias stressed, "is the will of the Panamanian people and God knows that we will see that the treaties are fulfilled."

The Panamanian foreign minister expressed his certainty that all of Latin America will express its solidarity with the Panamanian cause, just as occurred during the difficult years when the country was negotiating the Torrijos-Carter treaties.

Abadia Arias added that his government has warned that this situation endangers the bases of the Inter-American legal order and the common ideal of a harmonious and peaceful coexistence.

Regarding the world economy, the Panamanian minister said: "It is high time the more privileged countries began to understand that the interdependence of the economies makes unrest and anxiety, which are the result of backwardness, grow."

According to the foreign minister, in the current economic order "the possibilities for unrest and violence that misery and loss of hope have created in some parts of the world, are potential centers of tension and danger for the rest of the world."

"It is necessary that the international financial organizations understand the explosive potential of the problem; the problem is whether to meet the commitments created by the foreign debt or attend to the basic needs of the peoples," Abadia Arias added.

The third subject given priority attention by the Panamanian foreign minister was Central America, as "it is an area of great tension." Abadia Arias said that Panama continues to strongly support the peace-making efforts of the Contadora Group (Mexico, Colombia, Venezuela, and Panama) and the Support Group (Argentina, Peru, Brazil, and Uruguay). These organizations have been able to prevent until now the unleashing of a generalized war.

Foreign Minister Abadia Arias said that "Latin America has advanced much in the field of democracy and ideological pluralism, but there is still something which we must overcome, and that something, has much to do with whether we do or do not achieve peace in Central America."

PRD, LEGISLATORS AGREE TO UNITY 'AMICABLY'

PA090430 Panama City MATUTINO in Spanish 8 Nov 86 pp 1-a, 8-a

[By Roberto R. Rodriguez]

[Text] In the final phase of the PRD [Democratic Revolutionary Party] internal dialogue concerning the party's situation, 34 legislators and the party's National Executive Committee [CEN] reaffirmed their unity regarding the socioeconomic and political plans and programs inspired by the Torrijos ideal. They also reaffirmed their unity regarding the ministerial changes being sought.

After a 5-hour meeting yesterday that included harsh exchanges from both sides, the CEN and the PRD legislators expressed satisfaction over the exchange of ideas. This exchange of ideas will help in overcoming the differences that emerged due to the lack of communication between the respective parties.

Reportedly, one of the conclusions reached at the meeting was the need for increased communication among legislators and new ministers, deputy ministers, directors and managers of autonomous institutions within the PRD's political space. Other conclusions dealt with greater integration between the CEN, the executive branch, the legislators, and state officials.

The CEN directorate, represented at the meeting by Romulo Escobar, Ramiro Vasquez, Alfredo Macharaviaya, and Hirisnel Sucre, gave an in-depth explanation of the reasons why a move was made to change President Eric Delvalle's cabinet. The directorate representatives emphasized the loyalty of the current cabinet members.

One legislator said, "we have moved toward joint actions," alluding to the fact that as of today all PRD matters will be handled in unity.

The most impressive thing about the meeting, from our point of view, was how a fight -- between the legislators and the CEN -- concluded amicably. Legislator Eben Chi Rodriguez, leader of the PRD legislators, said the discussion was positive, in-depth, and serious, and it concluded with a vote of confidence in the CEN and the party in their efforts to consolidate unity in the PRD.

"We uncovered the true reasons behind the request to change the cabinet," Chi Rodriguez said, adding that the reasons for the CEN's position and that of its political commission are now known.

In legislator Chi's opinion, the CEN has been strengthened and its role as coordination center for all PRD matters, including harmony with the legislators, has been strengthened. Chi said "we have made a great step toward unity." PRD President Romulo Escobar Betancur said there will be "greater coordination" at all levels.

The expectations surrounding the meeting centered on disclosure of the new cabinet ministers, deputy ministers, and directors and managers of government institutions. This information, however, was not provided apparently because of an agreement between the PRD and President Delvalle not to "say anything" until the new cabinet is formed. "Now we will wait for the president, in accordance with his constitutional faculties, to decide whether or not to reorganize his cabinet," Dr Escobar concluded. He estimated the cabinet changes would be announced within a week.

FORMER GUAYAQUIL MAYOR ARRESTED ON DRUG CHARGE

PA101950 Panama City ACAN in Spanish 1836 GMT 10 Nov 86

[Text] Panama City, 10 Nov (ACAN-EFE) -- Abdala Bucaram, former mayor of Guayaquil, has been arrested in Panama City for possession of narcotics, according to official sources. Bucaram, who took refuge in Panama as a fugitive of Ecuadorean justice, is being held incommunicado by the attorney general's office to await trial.

The narcotics department of the National Department of Investigation (DENI) arrested Abdala Bucaram at 0930 yesterday, and he is now being held in one of its cells, an agent reported. Inspector Carlos Fuentes told ACAN-EFE that the DENI turned the case over to the attorney general, who must determine whether to punish him or extradite him to Ecuador. It was unofficially reported that Bucaram had 1 kg of cocaine in his possession when he was arrested.

The Panamanian authorities did not say how Bucaram was arrested or how long he had been living in Panama.

STUDENTS INJURED IN LOS SANTOS CLASH

PA101909 [Editorial Report] Panama City Circuito RPC Television in Spanish at 1730 GMT on 10 November broadcasts a report on a clash among students. According to the report, seven students were injured, three of whom were admitted to Chitre's El Vigia Hospital, after students from the National Institute, Panama University, and members of the FER-29 [Revolutionary Students Front] attacked students from the Arts and Crafts School who were going to music practice in La Villa de Los Santos. The report adds that the disorders occurred on the eve of La Villa de Los Santos' independence celebrations, where student delegations had gathered for today's parade.

The report includes testimony by Professor Bolivar Pitti, head of the Arts and Crafts School delegation. Pitti states details of the clashes and also clashes with local residents, as a result of which 2 students were shot and another was stabbed 18 times. He adds that a bus, all the musical instruments, and some uniforms were burned before Major Castrejon, the local Defense Forces Commander, established order.

COSTA RICA

ARIAS INTERVIEW ON PANAMANIAN BATTALION

PA131439 Panama City Circuito RPC Television in Spanish 0330 GMT 11 Nov 86

[Interview with Costa Rican President Oscar Arias Sanchez by reporter Mayin Correa at Arias' private residence in San Jose; no date given -- recorded]

[Excerpts] [Passage omitted] [Correa] Mr President, does it in any way bother the Costa Rican Government to face a military battalion on the Panamanian side of the border or did your government or the previous government request the battalion's presence?

[Arias] It was not requested by our government, and it does not bother us. I believe it is an obvious sovereign decision by the Panamanian Government as long as the battalion is on Panama's side. You see, Costa Rica is subject to civil law and the man dressed in khaki and kepi is not looked upon with approval because we do not have soldiers.

As you know, Costa Rica abolished its Army 38 years ago, and prides itself on having the greatest desire -- shared by everyone -- to preserve the tradition of not having an army. You can be sure that during my government we will do nothing in that field; we will preserve our civilian authority and the tradition of not having an army. Costa Rica will never have an army, even if some unreasonable people -- national or foreign -- try to pressure us into creating one. The battalion on the border is a Panamanian Government decision and we respect it. [passage omitted]

[Correa] Mr President, I believe it is very important that we discuss Nicaragua, especially the Nicaraguan Government's complaint against Costa Rica at the International Court of Justice [ICJ]. First, I want to ask if there was a moment at the beginning of your government when you pictured the Sandinists as being not so bad. It seems to me that something happened in Esquipulas and you became convinced of something. What did you become convinced of at the Esquipulas meeting regarding the nine commanders who were there with you?

[Arias] Your appraisal is not necessarily correct. Let me recount my version of what happened. Mayin, one of the main issues in the last campaign was peace. I raised the banner of peace because I want to see my children walk home from school with books under their arms, not rifles on their shoulders. Costa Rica has been able to dedicate the amount of money it has to education and health because it does not have an army, because we do not have defense forces, because we believe that the best defense for this country is its defenselessness, even if it sounds a little ironic and even contradictory. That is why we believe in the implementation of international law, that is why we believe in the importance of having efficient international organizations, in the need for a truly efficient OAS.

[Correa] But they are not.

[Arias] Very well. But our struggle is to make them efficient and, by the way, Contadora emerged from the OAS [word indistinct]? However, we will discuss this later. Let us return to the question. As peace was an important topic, ever since I took power I have said we will maintain our neutrality in the area's conflicts.

At the same time I have said that there will be no peace in Central America if there is no democracy, that democracy is a prerequisite for peace. I still believe that Central American violence has a basic explanation, and I say basic and I stress this because it is not the only cause. It is not poverty, injustice, hunger, or unemployment. The basic reason for violence in El Salvador, Guatemala, and Nicaragua has been the traditional undermining of the will of the majorities as expressed through their votes. This is why people have had to resort to violence, because there was no possibility of expressing that will freely through elections. When that will was expressed it was scorned, and the results of the elections were altered. This is why Napoleon Duarte came out of exile and why today he is supported by the entire world as a true solution of the Salvadoran problem.

[Correa] However, the guerrillas continue.

[Arias] The guerrillas continue, of course. Once the guerrillas begin, even if they are allowed to vote -- especially since they are convinced that they cannot win an election -- they will continue in the struggle, believing that one day they will win. However, they will not win. The same thing happened in Nicaragua. The entire world agreed that Somoza had to be toppled. The entire world. The Costa Ricans believed that a new Nicaragua would be created, not a second Cuba, and I believe that that government must change -- because as long as there is no democracy -- I repeat -- there will be no peace in Nicaragua.

Nevertheless, the Costa Rican people and government are very clear on the fact that we will not get involved in the Nicaraguan war. This is the reason why we have traditionally supported Contadora. We support Contadora because it has filled a void that existed in the inter-American system and sought a negotiated, peaceful, diplomatic solution of the Nicaraguan conflict through dialogue. If you ask me why this entire effort has failed, I would say that it has failed basically because of the Sandinists' intransigence, their inability to see that, only by opening the system, by being more flexible, could they avoid what has happened: an accentuation of the war, especially now that the $100 million in aid for the contras has been approved. I saw this at the end of May in Esquipulas. The presidents of democratic countries told Daniel Ortega that if he was willing to talk -- not necessarily with the contras -- he could initiate a dialogue with the internal political parties, the church, organized groups, labor unions, and with the [words indistinct] sector, but he never did.

On the contrary, as the days passed, that government became increasingly closed, dictatorial, intransigent, inflexible, it closed LA PRENSA, expelled the bishops, and today there is less political operating space. With much pain and regret we see that the war is escalating because, instead of becoming more flexible, the Sandinist system has become increasingly authoritarian, dictatorial, and polarized. Nevertheless, Costa Rica still believes that every effort to make Nicaragua compromise is advisable because we are suffering the consequences of this war. We have suffered them in the past. We have 250,000 foreigners, 10 percent of our population. Half of those foreigners are Nicaraguans, and it is difficult to observe a sincere neutrality when, among these Nicaraguans, there are many contras. We cannot prevent their activities because we cannot have a policeman pursue each of them. As a result, we are often midjudged abroad, because it is said that Costa Rica is being tolerant, complacent over the use of its territory by the contras. However, if we increase our security, increase our police -- which is all we have -- then we are told that we are being pressured to become militarized, that we want to reestablish an army in a more or less covert manner. As you can see, we are damned if we do and damned if we don't.

The important issue then is to see if there is still time -- and on this I am very pessimistic -- for Nicaragua to change. In Equipulas, as lawyers say, confession supplanted proof. Daniel Ortega told the democratic presidents present that he was not willing to risk his political power. I told him that the essence of the democrat is to acknowledge that one day he could be the leader, and on the next the opposition. I asked him if he was willing to become the opposition some day. His answer was no. That is the difference between a democracy and the Marxist-Leninist system.

[Correa] Mr President, as legitimate president of Costa Rica, and as a result of Costa Rica's democratic and clean tradition, you have a great deal of faith in your political endeavors. However, you have just confirmed the Sandinist Government's intransigence. There has been no dialogue; there has been no possible Contadora; there have been no possible councils. They want to consolidate a totalitarian regime in which Costa Rica will play the role of the FRG [as heard] and it will not be because of the war. In the letter sent to you from Nicaragua to lodge the complaint at the ICJ -- what I am doing here is going back to this point -- it was insinuated, according to what I read in the newspapers, that bilateral negotiations should be resumed to establish a border vigilance force between the two countries. Do you agree with this?

[Arias] I do not agree that Central American problems should be solved bilaterally. Costa Rica, as we have said, is not part of the Central American conflict. However, the Central American conflict is part of our problem. The civil war in Nicaragua will not end with bilateral solutions. A pact, arrangement, an agreement signed between Costa Rica and Nicaragua will not end the war. We all know this. This is basically a war among Nicaraguans, and there will be war as long as a large sector of the Nicaraguan people feel that they cannot express themselves, that they have no political option, in the good sense of the word. That is why I believe that a solution must be on a multilateral level.

So then, why my pessimism, you ask? I feel that there are the Contadora countries, as well as the countries of the Support Group. And then there are Western Europe, the Western democracies, and the entire world without exception, which are very indifferent toward what is happening in Nicaragua. There is apathy and indifference. If the governments of the entire world have not been more categorical it is because of opportunism, pragmatism, and fear, or just because of apathy, and indifference. What Western European country is forcing Nicaragua to compromise, negotiate, fulfill the promises made in 1979 before the OAS, to open instead of closing society? Is it that the Contadora Group countries have really spoken to Nicaragua as urgently as they should? Is it that the Nicaraguan Government took advantage of Contadora's good faith to gain time and consolidate itself?

As time passed, instead of opening up, yielding a little, and being more flexible, the Sandinists have demonstrated the contrary: more intransigence, more dogmatism. I believe that the circumstances today are different from those during Somoza's time at the beginning of 1979. Of course, 7 years have passed and the world has not become aware of the fact that unless there is action, not only by the United States -- because the United States is alone in this effort -- but by many other countries, fundamentally the democracies of the entire world, there is no possibility of changing Nicaragua, of one day seeing an authentic democracy in our neighboring country. So far this has not been the case.

[Correa] Then the country that will suffer is Costa Rica.

[Arias] Costa Rica will suffer anyway, because we cannot choose our neighbors, just as you cannot. What can we do? On one hand the intensification of the war in Nicaragua brings very serious consequences for our country. It threatens Costa Rica's development. Meanwhile, hundreds of Nicaraguans cross the border every day. For Costa Rica this means uncertainty and great unrest among Costa Ricans; it means that the climate of peace we need to promote national and foreign investments is in danger, and not only national and foreign investments are in danger. We must also prevent the flight of Costa Rican capital, which we have achieved in the past. We must not only prevent capital flight but repatriate Costa Ricans' capital, which they have maintained in banks in Miami, Panama, and New York. the heightening of the war means more wounded people we will have to attend to, more refugees, (?and schools are very expensive); we would have to feed those poor people and find jobs for them. We are faced with the threat -- because it is almost a threat -- of the reduction of UNHCR [UN High Commissioner for Refugees] aid, and a country like Costa Rica, lacking the sufficient resources, must use a large part of its resources to attend to these Nicaraguans.

As you know, there is nothing more volatile or more (?definite) than capital. First there is flight of silver, then dollars, then people. We have an obligation; I have an obligation to my people, which (?includes) those letters we were speaking about, to generate jobs and reactivate the economy, because, if we don't reactivate it, we cannot pay the foreign debt we are presently negotiating in New York. As a prerequisite for payment of the foreign debt we have established -- according to an economic model we made here -- that our annual growth rate over the next few years should be 4 percent, which is absolutely impossible if investment is not increased. Today we are investing only 17 percent of what we produce, and at this rate we will not make progress.

However, with more war in Nicaragua, it will be very difficult to increase this investment. How can we attract foreign capital with a war in Nicaragua? How can we encourage tourism? We can no longer depend on the factors that allowed Costa Rica's growth in the past. What were those factors? They were increased foreign investment, which is no longer happening, and easy access to foreign credit. Today this is no longer possible for Costa Rica or for many other Latin American countries. The prices for our traditional exports are no longer increasing. The exchange rates have deteriorated. The dynamism of the Central American common market of 25 years ago is dying today due to economic and political reasons. Costa Rica can no longer depend on the Central American common market to diversify its products. I could cite the state's growth, a dynamic factor in internal demand, which is no longer happening. Today we must produce to export, and how can we do this if we cannot offer peace, confidence, and optimism to businessmen, workers, Costa Ricans in general, and the foreigners who desire peace? This is one facet of the problem.

On the other hand, doesn't the world teach us -- remember Santayana's phrase that when one ignores history one is doomed to repeat it -- that the true flight of men and women will occur when a Marxist regime consolidates? To prove this, let us consider East Berlin. They built a wall to prevent Berliners from leaving the city. Well, true flight of people from Nicaragua will take place when the Sandinist regime consolidates. As you can see, we Costa Ricans lose regardless of whether we jump or not. Today, I am faced with the important task of developing this country within the next 4 years. It is the only way for us to consolidate our democracy. Yet, with a Marxist regime consolidated in Nicaragua, my children and grandchildren will also have to bear with the fact that there will be thousands of Nicaraguans seeking freedom and trying to migrate.

This problem will occur, not with 125,000 Nicaraguans as it happens today, but with tomorrow's 200,000 or 300,000. My children will have to live with this problem.

[Correa] I forgot to ask you how Costa Rica and your government are dealing with the lawsuit brought against your country at the The Hague court.

[Arias] Well, we feel we are right; we feel the truth is on our side. A long time ago, we acknowledged the jurisdiction of the The Hague International Court. We will defend ourselves. We are not dealing only with a Nicaraguan charge on Costa Rica. The verdict will go beyond Nicaragua and Costa Rica. I think this is a trial in which two positions will confront each other: Costa Rica's democracy versus a Marxist totalitarian system.

The world at large must consider carefully what will be said there because of what is at stake. We have been charged in just another propaganda move by the Sandinist government. As I said at the United Nations, this is the typical example of the pigeons firing at the shotguns. Costa Rica does not pose any danger for Nicaragua. We have been accused unfairly. This is a Sandinist propaganda move, nothing more.

[Correa] Mr President, you have told me that the Costa Rican foreign debt is being negotiated. Has Costa Rica made up its mind to settle its economic problems and the foreign debt according to the IMF demands or through some negotiations in which a number of positions were assumed in Latin America regarding the foreign debt? How does Costa Rica view this?

[Arias] Well, in the first place, I must say that Costa Rica has Latin America's largest foreign debt percentage-wise.

[Correa] But no greater than Panama's.

[Arias] I don't know.

[Correa] I think Panama's is the biggest per capita debt.

[Arias] I don't know if Panama's per capita foreign debt is bigger than Costa Rica's, but our debt represents more or less 115 percent of our GNP. In other words, Costa Rica owes much more abroad than the value of our national goods and services' yearly production. Evidently, we cannot grow if we are to pay under the debt's terms. This is a little of James Baker's theory, that we should first grow, produce, and increase production so that we can meet our obligation. What happens there is that [changes thought] I read in the papers today that Mr Baker could resign. We are not in a position...

[Correa, interrupting] [Words indistinct]

[Arias] We are not in agreement with bankers and this theory. This theory has resulted in Costa Rica and many other countries taking what he said literally. These countries have told their creditors to let them develop to be able to pay in the near future. Well, Costa Rica has just made a very reasonable, careful, well thought-out proposal to the creditors in New York. This very firm proposal says that we require terms and a grace period, hopefully of 7 years, to be able to (?pay). In the past few years, Costa Rica became an exporter of capital.

I feel it is ironic that Panama, Costa Rica, and other countries which require external savings have rather been exporting capital. It is evident that we cannot develop. It is evident that we cannot generate jobs. It is evident that I will not be able to build the 80,000 homes that I pledged to build for the Costa Rican voters. This must be changed. What we will do is negotiate with international organizations. We will reach a new accord with the IMF. We still have not reached one. We do not want to sign something on which we could default on a short-term basis. I boast of being a responsible person and paying my debts. We inherited the foreign debt.

It is the heritage that the president was handed down from his predecessors. It is the country's, not the government's. What is at stake is Costa Rica's name and prestige. We will pay this debt. We ask only for some time. We will reach an additional agreement with them. We reached one in the past. We are presently arguing back and forth over the figures. We have not agreed on them. I do not want to sign an obligation today only to sit-down at the table again in 3 months saying that we cannot meet this obligation.

This is why I want figures that will really allow me to conclude the accord for either 12 or 18 months. We have agreed with our creditors that, once we sign the letter of intention to the IMF, we will negotiate, perhaps jointly, if we can agree on the terms for the payment of this debt. Yet those conditions should allow us to grow, develop, and increase production. Otherwise, we could not sign a foreign debt settlement knowing it would be the main obstacle in Costa Rica's future development.

[Correa] Mr President, we are discussing Nicaragua and the effect of the Nicaraguan Marxist revolution on Costa Rica. I would like you to expand somewhat on one of your sentences in the speech at the United Nations. You said: Seven years ago, they resuscitated Sandino, and now they have murdered him again. What did you mean by this?

[Arias] Well, I do not have the slightest doubt that, should Sandino be alive today, he would be the first Nicaraguan dissatisfied with what is going on there. In 1979, Sandino was resuscitated to struggle against Somoza, an opprobrious tyranny for more than 40 years. Sandino won. Today, however, 7 years later, they have again murdered him because the Sandinists fought for democracy for their people. This is why, should Sandino be alive, he would be the foremost contra. Nothing would have affected Sandino more than to realize the revolution was betrayed. This is why I said he has been murdered once again. [passage omitted]

[Correa] As the Costa Rican president, are you bothered by the fact that the Marxist sectors have labeled Costa Rica as a country surrendered to and too identified with U.S. policy? Are you bothered by this?

[Arias] Look, no. In the first place, because it is not true. It is not to be denied that Costa Rica agrees with the Western world, because we share the values of such a world. If the United States is the leader of the free Western world, we agree with the United States. We believe in Costa Rican democracy, which is the same democracy of Jefferson. There is no other. It is a truly pluralist democracy. In this democracy, one loses one day and wins the next. One day one can be part of the government, the next one could be part of the opposition. This is why I never do to my opponent what I do not want this opponent to do to me, because I could be part of the opposition tomorrow.

This is entirely different from what happens in Nicaragua or in any Communist regime. They do not believe in this. In Costa Rica, no one feels he is the sole owner of truth because no one has the truth. But in Nicaragua, they do think and feel they have the truth. This is why they fight, as some did in the Crusades, convinced that they defend a faith, a creed, and that anyone who disagrees with them is in error. They are always right, they always possess truth. They are dogmatic. There is nothing I abhor more than dogmatism. This is why I am not worried. I am not concerned about our being identified with the West because we certainly are identified with the West's values.

Latin America originated in Spain. We have been educated in the West's values. In truth, we have nothing to do with Marxism. What is important to show to the world -- Costa Rica can do it and has been doing it successfully -- is that injustice can be fought without any need for a Marxist regime, without putting anyone before a firing squad, without stamping out the opposition, without sending dissidents into exile, to graveyards, or prison. What we are doing and have done in education, health, and nutrition and now want to do in housing projects and in the exercise of personal rights might well be Nicaragua's banners too, only they have to do it with an army, by sending dissenters off to prison or exile, even as Cuba did.

Cuba's education system is no better than Costa Rica's. Cuba's health system is no better than Costa Rica's. The average life span of Costa Ricans, which is 74 years, is not lower than that of Cubans, and yet Costa Rica achieved this development without any political or social pressure. Democracy can do important things to benefit the majorities. It can build a more humanitarian society. This is why we talk about political, economic, and social democracy. We call ourselves social democrats because democracy must have a last name, it must have a social nature.

We have successfully put this into practice without needing to have political prisoners. Therefore, Costa Rica has to show the world that there is no need to be communist to struggle for justice. There are two [as heard] very important issues for which people have been struggling during the last 2,000 years: justice, equality, and freedom which is a very dear value for us. We will never give up our freedom to attain greater equality.

[Correa] Thank you, Mr President.

NICARAGUA

HUMBERTO ORTEGA INTERVIEW ON CONFLICT SOLUTION

PA132353 Managua International Service in Spanish 1458 GMT 13 Nov 86

[Interview with Nicaraguan Defense Minister Humberto Ortega Saavedra by unidentified NOTIMEX reporter on 12 November; place not given; broadcast in progress -- recorded]

[Text] [Ortega] We could not find points of convergence or smooth over points of confict, so we have had to remain in the conflict situation the United States has brought upon us. However, I do think there is a solution to this conflict. There is indeed a solution to the conflict, but Reagan has it, we do not. The solution is in Reagan's hands. He is the one who can stop this war and, as we did during the Manzanillo talks, we can resume a direct dialogue. Reagan can come to Nicaragua to discuss the issues so that both parties assume a practical position and try to reduce the present chaotic and violent situation.

In this way, we could slowly try to find a framework of detente and gradual peace that will allow the Central American people, currently subject to the foreign debt, the international economic crisis, etc. to [does not complete]. All Central Americans -- Costa Ricans, Guatemalans, Salvadorans, and Hondurans -- have serious problems. We are all subject to the blows of the unjust, international economic situation.

In addition to this, we are at war. We are experiencing an (?imperialist,) political war; it is a volcano ready to erupt. If we do not hold a serious dialogue, the outlook for the coming months -- if the United States continues with its erratic policy -- is predictable. That is to say, we know that this situation can begin with border conflicts, gradual intervention, or with [words indistinct]. We cannot tell, however, where or how it could end. The only thing we can say is that the situation would be neither advisable nor desirable for anyone: for the North American people, the North American youth, or the Army. In my opinion, if the North American administration continues its irresponsible path, which it is determined to follow, the situation awaiting our region is a terrible one.

In 1985, we established the basis for our Army and its (?role) in this government. As [words indistinct] already mentioned, we have consolidated the main components of our Army. What does the Army do? First of all, our Army must continue to strengthen our moral determination. That is our most important task. Weapons and tanks are not an Army's main components. An Army's main components are the state of mind of its soldiers, their spirit, patriotism, morale, national and revolutionary awareness. That is what encourages our men, soldiers, officers, commanders, and the patriotic Nicaraguan masses who are actively organizing in the EPS. In the face of the uncertain situation we are currently experiencing, we must and are strengthening ourselves.

Second, we are strengthening our strategy of active resistance. We call this the national, patriotic, and popular war. We are guided by a great concept, the concept of a national, patriotic, and popular war. This great concept guides our Army in our national defense and is expressed in a war strategy should intervention occur. This strategy is our active resistance. By this I mean to say that, should a North American intervention occur, we would call upon all our men, patriots, and citizens; men who are organized to defend the homeland in face of the eventual U.S. intervention. In the past, we experienced U.S. Government intervention. This happened in the past century. Mexico also suffered from intervention and imperialist arrogance.

We Nicaraguans have drafted a strategy of active resistance based on sticking [pegarse] to three things: the people, the land, and the enemy. In such a war, we have the advantage because we control our territory, rivers, (?creeks), cooperatives, every single corner of our country: mountains, caves, swamps, and trees. We control our country. As I have already mentioned, we are organized like a jigsaw puzzle. Each person knows what he has to do in the area he is responsible for.

We have permanently distributed our forces. They are not concentrated in one area or garrison.

Our weapons are permanently distributed among the people. You see a peasant, working with a rifle on his side. That [word indistinct] is structured into a type of military unit. He has his explosives, his traps, his grenades. He has a specific plan of action if intervention were to occur. Therefore, we have a strategy of active resistance to face the Yankee intervention. It would not be warfare in the classic sense of the word, or even a conventional battle. It would not be like the battle at Waterloo. Logically, we would lose this type of battle considering the U.S. materiel potential. Instead, we would simply follow defined lines in an unconventional war, a warfare of constant and rapid movements -- a mosquito warfare [guerra de mosquito] -- to bleed the invader. We are sure the U.S. intervention would get bogged down in this type of war. The U.S. would fail in combat. The U.S. would be constantly attacked and bled. Moreover, the invader would sustain thousands of casualties. We trust we will be able to defeat that intervention, should it occur. We do not want it. We do not want to fight with the United States, We do not want to beat the U.S Army. That is not what we want. We do not want to boast. However, we do trust that we will defeat an intervention, not only because of Nicaragua's active resistance -- which will bog down the intervention and attack it -- but also because of the role the rest of the forces in the world, including responsible governments and people, would play. Nicaragua should not be another Grenada. The people of Grenada were at a disadvantage when the United States arrived and quickly imposed a military situation.

Not here; here (?that will not happen). We are going to resist. We are going to resist. We will win thanks to our resistance. We are going to win because we are going to have the backing of the Latin American and the North American people. We are going to win because we are going to let the peoples of the world express their vehemence and protest if the United States attacks us. Therefore, we are preparing with that spirit. We do not want war. We feel the most beautiful battle that can be won is the one that is avoided. In this respect, the best general is one who wins the battle or achieves victory without fighting. I feel that the peace general [general de la paz] must prevail under the dramatic circumstances our people are enduring. Our people want all the efforts being put into military organization to be put into seeking a solution to our economic crisis. Our economic crisis is constantly affecting the stomach and spirit of Nicaragua's poor.

Sure we feel the situation that Central America is experiencing, and the situation in El Salvador in particular, stems from the unjust economic situation in the world to which the small countries of Latin America, and Central America, in particular, are subject. We find the roots of Nicaragua's armed insurrection during the Somozist dictatorship in the unjust system of the past. In this respect, the situation in El Salvador is somewhat similar to the situation in Nicaragua. Nicaragua did not export revolution to El Salvador. Instead, El Salvador's political conditions have produced this response. As a matter of fact, we have been accused of helping El Salvador.

Nicaragua, Honduras, and El Salvador share the small Gulf of Fonseca. The Gulf of Fonseca is practically being controlled by the United States.

They control the area with their radio-electronic systems and their patrolling. Nothing can get through. In El Salvador, there are thousands of guerrillas. It has been proven that under the conditions that exist in the gulf, Nicaraguan aid is impossible. In other words, I think the facts demonstrate there is a civil war in El Salvador which is different from the mercenary war being waged in Nicaragua. There is no civil war in Nicaragua. There is, however, a mercenary war being waged solely because of the support the mercenaries get from their bases in Costa Rica. Moreover, the Salvadoran guerrillas are practically in San Salvador; they are all over that country. Their bases are not in Nicaragua. We not have bases like the ones in Honduras, Guatemala, and Costa Rica that are used (?to attack) Nicaragua.

Therefore, the situation in the area is no doubt conflictive. However, inasmuch as we solve the problems, inasmuch as we make substantial progress in the problem involving Nicaragua and the United States, we will be contributing, in one way or another, to solve the equally dramatic and conflictive situation in El Salvador. I believe we can find a solution to that dramatic and conflictive situation if we quickly make substantial progress in finding a solution to the Nicaraguan situation.

[Reporter] General Ortega, you said that a regional... [corrects himself] a border conflict will be more important than a conflict with the contras. In the upcoming months, do you expect there to be major incidents along the border area or incidents like the one involving Hasenfus in which an airplane was bringing weapons to the counterrevolutionaries from El Salvador?

[Ortega] That is correct. In the face of the constant defeats we are inflicting on the mercenary forces, the war is clearly becoming a border-type war. In the past few weeks, and as you may have already heard, we have had serious confrontations on the border with Honduras. They chose the days when they were celebrating another anniversary to carry out these actions. They have suffered serious blows and heavy casualties.

The mercenary forces are being disbanded. Since they do not have a real mercenary force, a real mercenary army, capable of overtaking big targets -- they just attack smaller targets -- they are only capable of harassment. They cannot really attack large targets that would allow them to establish themsleves in an important part of the territory. Thus, they have no other alternative -- since they do not want peace and do not want to seek a dialogue -- than to escalate their intervention against Nicaragua. It has become very evident the United States is seeking a (?confrontation) between the Nicaraguan Army and the Honduran Government, through the Honduran Army. They attack us, they harrass us, etc., and also create certain situations. There are reports of mercenary forces dressed in Sandinist Army uniforms inflicting harm on the Honduran people, attacking Honduran and Costa Rican towns. They are trying to irritate the nationalist spirit of the people and turn them against Nicaragua.

Moreover, you may recall that a ship, the "Pia Vesta, was detained in Panama. It was carrying weapons made in socialist countries. The ship belonged to the CIA. It carried (?SIMCA) trucks and weapons similar to the ones used by the EPS. What was this all for? It was all done with the intention of arming alleged Sandinist troops that were to attack Honduran territory. They would use this incident to justify U.S. actions against Nicaragua.

In that regard, we expect the following in the upcoming months: First, we expect a worsening of the siege around Nicaragua. Nicaragua is surrounded economically and commercially. Mr Reagan has just announced that he has extended the economic embargo for another 6 months. They are extending their economic and commercial blockade of Nicaragua. They will extend their naval blockade and their military installations in Honduras against Nicaragua. They will increase the number of groups operating with the CIA's contras to attack the most important towns. Pirana [boats] that were used on previous occasions are beginning to reappear on the Atlantic and Pacific with the purpose of attacking our boats, our ports and our fishermen. They will also strengthen the policy of provocations to create trouble between the Nicaraguan and Honduran Governments or between the Nicaraguan and Costa Rican Governments. All this is done with the intention of worsening the conflict at any one point. Under the present conditions, and by using the planes in Honduras, they intend to hit a few targets in Nicaragua such as the helicopter base. We do not have trasportation planes and we do not have interception planes. Nicaragua is in a completely disadvantageous position regarding offensive weapons, such as in the Air Force and regarding Central America, especially the northern military triangle -- Guatemala, Honduras, and El Salvador -- which the United States wants to use against Nicaragua, even though the Guatemalan Government does not agree with this. They have hundreds of Air Force planes without including helicopters.

That is our Air Force you saw in the parade with the planes we currently have. We do not really have an Air Force. Besides, we are not interested in having one. We are not interested in having sophisticated equipment. This does not mean we are giving up the idea of having interception planes. We have our programs and plans, but we are not desperate to have such equipment because we have the most important thing: thousands of citizens who are willing and ready to take up arms. The most important plane, the most important tank, and the most important nuclear bomb that Nicaragua has is the morale of citizens who have a rifle, a trap, a mine, a morale, and a high sense of sacrifice and of patriotism to defend our fatherland and the great fatherland of Bolivar, of Zapata, and of Latin Americans.

DEFENSE ATTORNEY SOTELO DEBATES LEGALITY OF TPA

PA140431 Managua Domestic Service in Spanish 0300 GMT 14 Nov 86

[Text] Although Dr Enrique Sotelo Borgen had reported that his news conference would be strictly on juridical matters, he made groundless charges against the Nicaraguan Government. He insisted that the Anti-Somozist People's Tribunals [TPA] are not legal, which concurs with the U.S. Government view, alleging that the TPA are disqualified and incompetent.

However, during the news conference held at the International Press Club, a foreign correspondent reminded Sotelo Borgen about the Nuremberg trials which were not illegal.

Hasenfus' defense attorney affirmed that Hasenfus should be tried at the ordinary tribunals or in the United States.

Finally, Sotelo Borgen said that the U.S. military adviser only deserved a penalty of 6 months to 2 years in prison.

EL NUEVO DIARIO VIEWS CEREZO'S POLICIES

PA121533 Managua EL NUEVO DIARIO in Spanish 10 Nov 86 p 2

[Article by Aida Lemos]

[Text] The ambiguities of Guatemalan diplomacy regarding the Central American conflict, and more specifically regarding U.S. aggression against the Nicaraguan people, seem to have grown in the wake of the recent tour Guatemalan President Vincio Cerezo made to the United States and Europe.

The apparent support to the peace efforts by the Contadora Group and the highly publicized "policy of active neutrality" that have greatly benefitted the Christian Democratic [DCG] administration have come into doubt following recent developments.

On 15 October, during his official visit to Bonn, Cerezo stated that in Central America, "there are four democracies and one totalitarian regime." He noted that the creation of a Central American parliament "would be the beginning of the end of totalitarian Nicaragua."

Political analysts have viewed this as a way of expressing "gratitude" for the financial support pledged by the FRG's ruling conservative Social Chirstian Union.

In an interview granted to the Parisian daily LE MONDE, Cerezo remarked that Nicaragua and the United States are equally responsible for the problems Central America is experiencing. "Both the United States and Nicaragua should make concessions." Cerezo affirmed at that time. Placing Nicaragua and the United States at the same level is denying the interventionist nature of the Reagan administration and justifying in some way the U.S. aggression with the alleged Nicaraguan "blame." What concessions would Cerezo expect from a country economically blockaded and attacked by Somozists groups responsible for over 5,000 deaths?

In parallel with these statements, the Guatemalan Government has signed some initiatives that bring it closer to the stances taken by the Tegucigalpa group -- comprised by Honduras, El Salvador, and Costa Rica -- than to principles outlined by the Contadora and Support Groups.

The Nicaraguan counterrevolutionary leadership has held several meetings in Guatemala and has met with several government officials, giving rise to criticism at home and abroad.

Former ARDE chieftain Eden Pastora met on 10 September with Luis Alfonso Cabrera, Congress president and DCG secretary general. Afterward, Pastora said that exchange of views constituted "a tacit political and moral support" to the counterrevolutionary cause.

Some congressional sectors have rejected the use of Guatemalan territory as a political platform by the Somozists groups. One hundred deputies backed a proposal by the Democratic Socialist Party (PSD) that Guatemalan Foreign Minister Mario Quinonez Amezquita explain it to the full Congress, among other things, the paradoxes of "active neutrality."

President Cerezo and Cabrera have stated on several occasions that these developments do not affect Guatemala's standing concerning the Central American conflict. "Everyone is free to hold meetings to discuss these sorts of matters or to engage in similar actions in Guatemala," the DCG leader said.

On 4 November, the Guatemalan "Telepress" newscast reported that approximately 1,000 Guatemalans would receive military training before joining a private army that would join the Nicaraguan counterrevolution. Citing unofficial sources, the newscast stated that the training will begin in November. The Guatemalan contingent will join the Somozist groups in January 1987.

Moreover, President Cerezo announced a few months ago that the Guatemalan, Honduran, and Salvadoran Armies will hold joint military operations in Guatemala's Peten Department in an effort to reactivate the Central American Defense Council (Condeca), which General Anastasio Somoza created in 1963.

Guatemalan Defense Minister General Jaime Hernandez Mendez, who is also Condeca's president, recently stated that Guatemala cannot continue being at a military disadvantage with its Central American neighbors. He said that his country's Armed Forces are expecting an allocation of $15 million in military aid from Washington.

On another occasion, Gen Hernandez Mendez warned that "Guatemala could change its neutrality because conditions are changing." These changes include the possible training of Nicaraguan contras in Guatemala, as was reported in the U.S. magazine NEWSWEEK.

These reports are partly prompted by the pressure the Reagan administration has exerted on the DCG governemnt. Some months ago, Cerezo told the foreign press: "U.S. pressures are more keenly felt by what Washington stops doing for a country than by actual acts of hostility."

Philip Habib, U.S. roving ambassador for Central America, has visited Guatemala on different occasions. He has had closed-door meetings with President Cerezo. Moreover, Gen Hernandez Mendez has visited the U.S. Army's Southern Command headquarters in Panama at the invitation of General John Galvin to draw the Armed Forces of the two countries closer together.

The Sandinst government and the international community have supported the many initiatives taken by the DCG president, such as his proposal to create a Central American parliament. However, Guatemala's two-faced diplomacy has defauded the expectations of democratic sectors.

Meanwhile, Cerezo continues raping benefits from his remarks. On his recent trip to Europe, the "active neutrality' policy allowed him to get financial aid for $724 million and grants for $60 million.

Moreover, the Guatemalan Army is using the cover that the DCG diplomatic bids are giving to to gain time and to seek better military equipment and greater political involvement so as to vie for hegemony at the Condeca with its Salvadoran and Honduran counterparts.

Still, the propaganda campaign conducted around Guatemala's "active neutrality" is a double-edged sword. In his meetings with the Spanish, French, Belgian, German, and Italian leaders, Cerezo pledged to maintain an independent stance. In the following months, he will have to respond with deeds for the support the international community has given him.

INTERIOR MINISTRY RECEIVES POLISH DECORATION

PA132104 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 13 Nov 86

[Text] The Interior Ministry's Superior Directorate has received the top decoration from the Internal Affairs Ministry of the Polish People's Republic.

[Begin unidentified reporter recording] Czeslaw Kiszczak, an Army general who is a member of the Polish United Workers Party's Central Committee Poltiburo and is also Poland's internal affairs minister, presented the decoration.

During his visit to the Interior Ministry, he signed a partisan protocol with [word indistinct] of Nicaragua. The visitor was decorated with the Enrique Smith badge by the Interior Ministry.

Kiszczak later met with Commander of the Revolution Daniel Ortega Saavedra, the president of the Republic. [end recording]

PCDEN SEEKS TO SHARE EXECUTIVE BRANCH POSTS

PA140134 Managua Radio Noticias in Spanish 1200 GMT 13 Nov 86

[Excerpt] The Democratic Conservative Party of Nicaragua [PCdeN] will insist that the FSLN relinquish some executive branch posts to opposition parties. The PCdeN presented this proposal, which was rejected, during the constitutional debates. Political circles have revealed that the goal of the PCdeN's proposal is to attain public posts as in the past. Many have stated that this is one way of attaining the revolution's democratization. [passage omitted]

SPAIN'S GONZALEZ ARRIVES; WELCOMING CEREMONY

FL140119 [Editorial Report] Havana Television Service in Spanish at 0008 GMT on 14 November begins carrying live coverage from Havana's Jose Marti International Airport of the welcoming ceremony of Spanish Prime Minister Felipe Gonzalez.

The establishing shot shows the lights of an aircraft approaching the Havana airport runway as it is already after dark. Two announcers are heard describing the event while a huge picture of the Spanish leader hung from the main control tower is shown. The announcers note that Gonzalez is accompanied by Spanish Foreign Minster Francisco Fernandez Ordonez, Economy and Finance Minister Carlos Solchaga, Culture Minister and government spokesman Javier Solana, Government Staff Secretary General Julio Feo, and Commerce Secretary General Guillermo de la (Dehesa), among others. The camera pans the crowd waiting to greet the visitors and waving Cuban and Spanish flags.

After the Spanish Air Force DC-8 aircraft comes to a full stop, President Fidel Castro and a group of Cuban officials approach the ramp. Felipe Gonzalez and his delegation walk down the ramp and are greeted by Castro and other Cuban leaders. Gonzalez and Castro embrace each other. A large number of photographers and journalists are shown in the area.

Immediately, the two delegations line up and stand at attention while the Cuban and Spanish national anthems are played. A medium shot of Gonzalez and Castro is shown as a 21-gun salute is heard. The Cuban and Spanish leaders review the honor guard and proceed to greet Cuban officials and members of the diplomatic corps accredited in Cuba. Among the Cuban officials identified in the receiving line are: Politburo members Juan Almeida, Carlos Rafael Rodriguez, Vilma Espin, and Jorge Risquet. Raul Castro is not seen.

Castro and Gonzalez approach the crowd that is gathered at one side waving Cuban and Spanish flags. The two leaders shake hands with some of the people for a brief moment and walk away to again stand at attention while the Honor Guard marches by them. Castro and Gonzalez board a limousine and the motorcade drives away. At 0028 GMT the ceremony ends.

HAVANA SELECTED TO HOST 1991 PAN-AMERICAN GAMES

FL132319 Havana Radio Reloj Network in Spanish 2305 GMT 13 Nov 86

[Excerpt] Today can be considered a great day for Cuban sports because of the unanimous decision of the Pan-American Sports Organization that Havana will host the 1991 regional games.

During today's session being held in Barbados, INDER [National Institute for Sports, Physical Education and Recreation] President Conrado Martinez made a presentation supporting Havana as a host city while Mar del Plata Mayor Angel Roig supported his city's petition. Later, German (Rickehoff), Puerto Rico Olympic Committee chairman, requested Mar del Plata to reconsider its position, taking into account Cuba's sports achievements.

After (Rickehoff)'s and other delegates' remarks supporting the Cuban candidacy, the Mar del Plata mayor withdrew his request. This decision was received with great joy at the assembly hall. [passage omitted]

'Tense Battle With Argentina'

FL140136 Bridgetown CANA in English 0031 GMT 14 Nov 86

[Text] Bridgetown, Barbados, Nov 13, CANA -- Cuba tonight won a vote to host the 1991 Pan-American Games after being locked in a tense battle with Argentina. A source close to the 23rd congress of the Pan-American Sports Organization (PASO) here, which decided the venue said a vote was required after the Argentine delegation argued strongly that Mar del Plata had all the facilities necessary to hold the games.

But the Cuban delegation, which included former Olympic 400 and 800 metres champion Alberto Juantorena and world amateur heavyweight boxing champion Teofilo Stevenson, got the nod for Havana. The margin of victory was not disclosed. Delegates and officials quickly afterward left the conference centre for a cocktail party at Government House, official residence of the Barbados head of state.

Havana were unsuccessful in their bid to host the 1987 games, which will be held in Indianapolis. President of the Barbados Olympic Association, Austin Sealy and compatriot Michael Simmons were today appointed to a committee to supervise the finances of PASO, the source said. The committee is headed by General George Miller, secretary of the United States Olympic Committee. Over 150 delegates of member countries of PASO attended the meeting here.

COSTA RICA'S ARIAS ADOPTING U.S. REGIONAL POLICY

PA131648 Havana International Service in Spanish 2300 GMT 12 Nov 86

["Our America" commentary read by Manolo Ortega]

[Text] To speak out when one does not promote policies based on principle inevitably leads to discredit and ridicule. Costa Rican President Oscar Arias made a public statement today that will earn him these attributes. His pre-electoral speeches, wherein he defended Costa Rican neutrality in the Central American conflict and showed off his considerable demagogic tricks, are still fresh in our minds. Time has demonstrated the falsehood of these statements, and Oscar Arias has decidedly aligned himself with those who play up to Washington's aggressive policies against the Sandinist revolution.

In collusion with another demagogic figure, Honduran President Jose Azcona, Arias has declared that Costa Rica will no longer attend the Contadora Group meetings, which are aimed at seeking a negotiated solution to the regional crisis, adding without the slightest dignity that this attitude will not change unless Nicaragua adopts constructive positions, or, in other words, unless the Sandinist people's revolution compromises and surrenders to the demands of the United States.

The development of Costa Rica's official position has a history. During the past few weeks, Arias has met with such distinguished visitors as William Casey, director of the Yankee CIA, and Michael Armacost, the third ranking State Department official, who recommended that Arias surrender the banner of his doubtful neutrality and immediately join the group of U.S. followers. As if by magic, after the transformation of Costa Rica's position, Oscar Arias' government received a donation of $50 million from the Washington's Agency for International Development.

As if this were not enough, the press in San Jose has pointed out that the CIA may attempt to create a greater schism between Costa Rica and Nicaragua, break relations between the two nations, and seek an excuse to directly invade Nicaragua.

Other reports state that the Costa Rican Government authorized -- at this time of regional tension -- the arrival of two U.S. Navy ships at its Pacific ports in open provocation of Nicaragua, which has already suffered aggressions from Honduras. While the Sandinist revolution has been willing to sign the Contadora documents for peace in the region, Costa Rica, Honduras, and El Salvador have sabotaged every solution. In addition to this, CIA flights to supply the Somozist counterrevolutionaries originate from the Aguacate base in Honduras, the Ilopango base in El Salvador, and the Nicoya base in Costa Rica.

Thus, Oscar Sanchez's government has not only shamelessly stained Costa Rica's political reputation, but has taken another step toward a militaristic adventure of unforeseeable international consequences.

NICRAGUA'S TINOCO CITES U.S. TROOPS PRESENCE

PA131953 Havana International Service in Spanish 1600 GMT 13 Nov 86

[Text] Nicaragua has warned that the Central American conflict may be heightened by the presence near its borders of more than 4,700 U.S. troops from the 82d Airborne Division and the 75th Battalion from Randolph Air Force Base.

Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco, during his speech at the OAS General Assembly in Guatemala, said that the increased U.S. military presence, and the use of neighboring territories as platforms from which to attack Nicaragua, undermine Latin American sovereignty, and weaken the territorial integrity and independence of the region and the Caribbean.

These incidents demonstrate that the United States has never respected the principles of the Inter-American system and has only attempted to use the OAS to favor its own interests in dominating and undermining the sovereignty of Latin American nations, Tinoco said.

FMLN LEADER MARTINEZ ON POSSIBLE U.S. INVASION

PA140409 Havana International Service in Spanish 2300 GMT 13 Nov 86

[Report by Luis Cabrera]

[Text] A. U.S. military intervention against Nicaragua would affect the entire region, said guerrilla Commander Ana Guadalupe Martinez, member of the FMLN political-diplomatic commission. The FMLN is one of the five organizations that comprise the Salvadoran insurgency.

The revolutionary leader's analysis concluded that intervention against Nicaragua would affect the entire region. In El Salvador, the United States would also have to make a decision, because they cannot be in two wars: an open war, if they intervene in Nicaragua, and another one in El Salvador, which they call a low-intensity conflict.

If they intervene in Nicaragua, they would necessarily have to do it in our country, emphasized the guerrilla leader. [sentence as heard] The FMLN, she added, is aware of this situation.

We do not have elaborate plans. What we are preparing is the disposition not only of our forces, but for the entire population to face the intervention.

Moreover, Commander Ana Guadalupe Martinez said that when there are troops intervening in a country, the behavior of the people is transformed because the struggle not only turns into a social struggle, but into a struggle for national independence.

We of the FMLN, she said, believe that the region could erupt into war, because the U.S. invasion would eliminate borders, which would force our forces to move wherever they deem suitable and whenever necessary. We are ready to face the intervention, said Commander Ana Guadalupe Martinez. We have been able to resist these 6 years of war despite U.S. technology and advice. This preparation to fight provides great possibilities to resist and defeat that intervention.

U.S. TROOPS SCHEDULED TO TRAIN IN PUERTO RICO

PA131931 Havana International Service in Spanish 1800 GMT 13 Nov 86

[Text] The U.S. Army will train 1,000 troops in combat techniques in tropical forest areas in Puerto Rico for 2 months. The announcement of these plans was made after the newspapers THE NEW YORK TIMES and THE WASHINGTON POST reported that Puerto Rico is included in the U.S. warmongering plan to attack Nicaragua. The training will consist of small unit tactics and movement and will take place during the day and night. According to reports, the training will begin 18 January and will end on 15 March.

EL SALVADOR'S DUARTE STONED BY STUDENTS OVER AID

PA130416 Havana International Service in Spanish 2300 GMT 12 Nov 86

["Commentary" read by Fernando Alcorta]

[Text] When the President of El Salvador Jose Napoleon Duarte arrived at the National University on Tuesday, he received the unpleasant surprise of being stoned by the students, forcing him to leave.

Demagogically, Jose Napoleon Duarte had decided to personally evaluate the earthquake damage and analyze the rebuilding project presented by the university faculty following the destruction of 70 percent of the university facilities.

With his characteristic cynicism, Duarte announced that he will travel to the UN within the next few days to seek help to rebuild the university, but the students do not believe in demagoguery, especially when so recently the international aid received for the earthquake homeless had been diverted by the regime.

There was a reason for the rejection by the students and the stones they threw at Jose Napoleon Duarte. One only has to recall that while 300,000 homeless live and sleep without shelter, the blankets and tents that were to have gone to these citizens are being used to cover private cars. All this happens without taking into account all the rest of the aid that, from the very first moments, the regime assigned to military hospitals and the Army without taking into account the thousands of injured civilians out in the streets without help or protection.

If by misfortune another similar catastrophe happened now, El Salvador lacks medicine supplies because of the regime's incapability, corruption, and repression -- all of which has created a real social chaos. While the victims and their families lack employment and worthy homes, and while the streets of the capital and other Salvadoran cities are full of suffering, homeless people, Jose Napoleon Duarte's regime had the gall to reject hospitals, like the ones offered by the Cuban Government, much to the indignation and surprise of the local Red Cross officials.

With what moral grounds will Jose Napoleon Duarte ask for UN support? One can imagine that, if received, it will follow the same fate as the previous aid. The students know this, and because of this they repudiated the president's visit to the university.

UN DELEGATE CALLS FOR MEASURES ON NAMIBIA

FL131605 Havana Radio Progreso Network in Spanish 1200 GMT 13 Nov 86

[Text] Alberto Velazco, Cuba's alternate permanent delegate to the United Nations, has called for mandates and special powers for UN Secretary General Javier Perez de Cuellar so that he can adequately coordinate with the Security Council the application of mechanisms that would immediately guarantee Namibia's independence.

RODRIGUEZ ON ECONOMY AT BUCHAREST CEMA MEETING

PA131643 Havana International Service in Spanish 0000 GMT 13 Nov 86

[Text] During the 42d CEMA meeting, which was held in Bucharest in the past few days, Cuba reaffirmed that the country's economic development is conceived in socialism and with socialism. This statement reflects the tremendous possibilities opened by an exploitation-free social system for peoples such as ours, who are breaking away from the chains of dependence and secular backwardness.

Nevertheless, the path is not without difficulties and internal and external obstacles. Foremost, and in keeping with its increasingly active role within the socialist community, Cuba is improving its economic guidelines by correcting mistakes and distortions with regard to rewards for outstanding groups, in the payment of wages with production bonuses, in delayed investments, and in other problems that led us to entrust the construction of socialism more to mechanisms than to the conscience and morals of man.

At the 42d CEMA meeting, Cuban Vice President Carlos Rafael Rodriguez also pointed out that external factors will prevent the full achievement of the growth planned by our country for 1986, although there will be no backward movement in the economic plan or standard of living. Among the factors affecting such growth are the drought affecting Cuba for the past 3 years, Hurricane Kate, extremely low sugar prices, and the devaluation of the dollar, which is affecting our export prices to capitalist markets. In addition, the drop in petroleum prices nearly cut in half Cuba's revenues from the sale of national crude and our savings from approximately 3 million tons of petroleum supplied by the USSR each year.

Meanwhile, Ronald Reagan's administration has intensified its trade blockade and is trying to create problems in the financial relations between Cuba and private banks; it is also promoting the closure of doors to our exports.

Despite all these obstacles, Cuba's economy could achieve important progress. This is possible thanks mainly to its planning system and its firm presence in the socialist community.

MACHINERY MANUFACTURING CEMA MEETING BEGINS

FL122311 Havana Radio Reloj Network in Spanish 1903 GMT 12 Nov 86

[Text] The third meeting of the branch bureau No Eight [Buro Ramal Ocho] of the machinery manufacturing CEMA committee has begun in Havana. The meeting's objective is to get the electronics industry ready to fulfill the needs of the year 2000.

During the meeting, which will continue until 14 November, specialists in the field will discuss the production of measuring and control instruments for technological activities, robots, and industrial operators, among other subjects. This meeting is important for Cuba because it is planning to produce electronic modules for industrial scales, sensors, translators, and other things, as part of development plans for the year 2000. This will provide our country with new and important lines of exporting electronic equipment in the way it is being done today with video terminals.

POLITBURO MEMBERS ATTEND ANGOLAN RECEPTION

FL121853 Havana Television Service in Spanish 1800 GMT 12 Nov 86

[Text] Commander of the revolution Juan Almeida Bosque and Jorge Risquet Valdes, members of the Politburo of the Communist Party of Cuban Central Committee, have attended the reception offered by Manuel Pedro Pacaviar, member of the MPLA [Popular Liberation Movement of Angola] Party of Labor Central Committtee, on the occasion of the 11th anniversary of the declaration of independence of the People's Republic of Angola.

Other party and state leaders expressed their solidarity with that sister country's independence day by attending the event. Also present were representatives from the diplomatic corps accredited in Havana.

ANGOLA SEIZES UNITA WEAPONS FROM U.S., S. AFRICA

PA130354 Havana International Service in Spanish 0000 GMT 13 Nov 86

[Text] The Angolan Government exhibited to local and foreign journalists in Luanda tons of weapons seized from South African troops and from UNITA's countrrevolutionary bands that currently attack the Angola territory.

The Angolan authorities also presented a group of 19 UNITA members who were captured during recent operations carried out by the FAPLA [Peoples' Armed Forces for the Liberation of Angola] in the southern Cuando Cubango province. The majority of those arrested said that they had been forced to join the counterrevolutionary bands.

Most of the armament seized from the enemy originated in South Africa and the United States. The weapons include counterartillery [artilleria reactiva], armored vehicles, anti-aircraft machineguns, missiles, howitzers, mortars, napalm, bombs, assorted mines, communications equipment, parachutes, and other materiel.

DELEGATION ARRIVES IN LAOS FOR CONGRESS

FL121740 Havana Radio Reloj Network in Spanish 1517 GMT 12 Nov 86

[Text] Jose Ramirez Cruz, alternate member of the Communist Party of Cuba Politburo, has conveyed a personal greeting from Commander in Chief Fidel Castro to Kaysone Phomvihan, secretary general of the Lao People's Revolutionary Party [LPRP].

The highest Lao leader met with Jose Ramirez Cruz today with whom he had a cordial conversation on the preparations for the Fourth LPRP Congress, which begins tomorrow. Ramirez Cruz, president of the ANAP [National Association of Small Farmers], arrived in Vientiane yesterday at the head of our party's delegation to attend the Lao communists' highest forum.

Eighteen delegations from the Communist and Workers' Parties of Asia, Africa, and Latin America have arrived in the Lao capital. The Vietnamese committee arrived in Vientiane this morning headed by Prime Minister [as heard] Pham Van Dong.

HUNGARIAN JUSTICE MINISTER IMRE MARKOJA ARRIVES

FL121436 Havana Tele-Rebelde Network in Spanish 1358 GMT 12 Nov 86

[Text] Dr Imre Markoja, justice minister of the Hungarian People's Republic, arrived in Cuba this morning accompanied by his wife and daughter. He was received at the airport by Dr Juan Escalona Reguera, justice minister and member of the Communist Party of Cuba Central Committee. During his visit to Cuba, the Hungarian justice minister will visit the Pinar del Rio, Guantanamo, and Santiago de Cuba Provinces and will return to his country on 26 November.

GDR'S FELFE HOLDS WORKING MEETING WITH RIZO

FL130226 Havana Television Service in Spanish 0100 GMT 13 Nov 86

[Text] A GDR delegation headed by Werner Felfe, Politburo member of the Socialist Unity Party of Germany, this afternoon conducted a working meeting with Julian Rizo, alternate Politburo and Party Central Committee Secretariat member. The two party leaders exchanged experiences on our countries' work, cooperation and ties in a climate of fraternal and mutual understanding. Werner Felfe arrived in Cuba this morning after participating in Managua in the events commemorating the 25th anniversary of the founding of the FSLN.

PALESTINIAN LEADER THANKS CASTRO FOR ASSISTANCE

FL121700 Havana Tele-Rebelde Network in Spanish 1310 GMT 12 Nov 86

[Interview with Georges Habash, general secretary of the Popular Front for the Liberation of Palestine, by unidentified reporter in Arabic with consecutive Spanish translation; date and place not given -- recorded]

[Excerpts] Recently Georges Habash, general secretary of the Popular Front for the Liberation of Palestine, visited Havana. On that occasion, Habash granted an exclusive interview to Tele-Diario. [passage omitted]

[Reporter] Dr Habash, what has interested you the most? [What has] attracted your attention the most on your visit to Cuba?

[Habash] We truly consider the Cuban revolution, the PCC [Communist Party of Cuba] and Comrade Fidel [does not finish sentence]. We profess a great affection. You may ask why. I think -- this is my point of view -- that the fundamental characteristic that distinguishes the Cuban revolution, and which has identified it during these long years, is its internationalist characteristic, its support of the national liberation forces of the world, its support of progressive forces, and its effective, concrete, and tangible support that positively affects the peoples. For example, I have mentioned our Palestinian people. They know how Cuba supports the Palestinian revolution and, comrade, during the U.S. blockade of Beirut in 1982, comrade leader Fidel sent a special envoy who successfully broke the blockade. He was quickly among us and told us, we are with you. What would you like us to do for you? What can we do? I could not imagine the impact of such an act in our [words indistinct]. The purpose of my visit has been to tell the great leader, Fidel: Thank you, thank you very much. Thank you very much for all this help and especially for the initiative adopted in 1982. [passage omitted]

HAVANA PARTY PLENUM ANALYZES DEFICIENCIES

FL131550 Havana Television Service in Spanish 1200 GMT 13 Nov 86

[Text] The analysis of the treatment given to the points raised at the previous plenary meeting of the Provincial Party Committee in Havana was the central purpose of the special plenary meeting held in Havana.

A critical and combative spirit characterized the discussion of the report that analyzed the existing deficiencies and the work developed and carried out against them. The Havana Party Directorate stressed the need to control material resources, revision and actualization of norms, and the strengthening of political and ideological work in all areas.

The plenum was presided over by Jose Ramon Machado Ventura, member of the Politburo and Secretariat of the Central Committee, and Pedro Chavez, member of the Central Committee and Havana Province first party secretary.

CARICOM TRADE, TARIFFS AGREEMENTS REACHED

FL081635 Bridgetown CANA in English 1605 GMT 8 Nov 86

[Text] Georgetown, Guyana, Nov 8, CANA -- Senior trade and finance officials from the 13-nation Caribbean Community (Caricom) have reached agreement here on a series of important issues relating mostly to trade and the harmonisation of fiscal incentives and customs tariffs.

Officials said today that the late October meeting, which also involved private sector officials from the community, agreed on the need to recognize that some members of Caricom use customs tariffs to raise revenue. It was also agreed that the rules of origin, setting out conditions under which products will qualify for concessionary treatment under the Caricom treaty, should be designed to make maximum use of regional raw materials. Conferees also agreed to broaden a review of existing fiscal incentives. The review is expected to be completed shortly.

BARBADOS

ECSS TO OPEN MILITARY, DRUG TRAINING SITE

FL081258 Bonaire Trans World Radio in English 1130 GMT 8 Nov 86

[Text] Barbados will become one of two training sites used by forces of the East Caribbean Security System [ECSS]. It will involve personnel from the United States and Britain. Courses on military subjects will be offered at the sites and trainees will be instructed on how to handle disasters, drug trafficking, smuggling, and other security matters, including pollution problems that threaten lives.

HAITI

PROTESTORS CALL FOR RESIGNATION OF GOVERNMENT

FL131223 Bonaire Trans World Radio in English 1130 GMT 13 Nov 86

[Excerpt] In Haiti, protestors took to the streets in three cities yesterday [12 November] burning barricades of tires and demanding the resignation of the interim government. Protestors were active in the northern towns of Gonaives, Saint-Marc, and in the southwestern city of Jeremie.

The latest protests were among the most serious since President Jean-Claude Duvalier fled to France. Interim President Henri Namphy assured the Haitians that he would block any power plays by supporters of the ousted Duvalier regime or other groups seeking to derail moves toward democracy. [passage omitted]

'JUNGLE COMMANDOS' ATTACK POLICE; TAKE WEAPONS

FL062210 Paramaribo International Service in English 1730 GMT 6 Nov 86

[Exerpt] On Tuesday afternoon [4 Nov], four armed men attacked a police vehicle in the Brokopondo District in the surroundings of Marechals Kreek. The armed men, who called themselves jungle commandos, ordered the police to hand over their weapons. The men took five revolvers, three shotguns, and a car belonging to the Ministry of District Administration. [passage omitted]

BRUNSWIJK GANG HIJACKS TRUCK WITH EXPLOSIVES

FL102216 Paramaribo International Service in English 1730 GMT 10 Nov 86

[Text] On Friday last [7 November] members of the Brunswijk Gang hijacked a truck which was transporting chemicals and explosive devices. (?Traded) earlier also one ton of ammonia nitrate was stolen from Suralco.

The incident occured at Moengo, according to a report from the Suriname News Agency which named the Burnswijk Gang as responsible for the thefts. In the meantime, traffic between Moengo and Albina came to a halt since Friday last because of damage to the road at two places near bridges. Large holes were dug in the roads and covered with hay and sand. It is suspected that damage to the road was caused by members of the Brunswijk Gang.

Gang Nears Paramaribo

FL132055 Bridgetown CANA in English 2021 GMT 13 Nov 86

[Text] Paramaribo, Suriname, Nov 13, CANA -- A three-month-old foreign backed rebel insurgency, aimed at ousting Suriname's military government, is escalating and moving closer to the capital, Paramaribo, from its stronghold in eastern Suriname, according to government and rebel accounts today.

The official SURINAME NEWS AGENCY (SNA) reported several attacks over the last week on government targets, including destruction of a palm oil plant, by the rebels whose leader is Ronnie Brunswijk, a former Army Sergeant and personal bodyguard to military leader Lieutenant-Colonel Desi Bouterse.

SNA did not confirm claims by a source close to the national liberation movement that the rebels had seized the airport in the eastern tourist resort town of Albina, and were in firm control of the area.

The source, speaking to the CARIBBEAN NEWS AGENCY (CANA), said it was likely that Albina, on the border with French Guiana, will soon be declared liberated and a provisional government set up by the liberation movement, based in Holland.

SNA reported some fighting in the area on Tuesday and Wednesday and the deaths of an Army Corporal and a 54-year-old woman, but quoted officials as saying the situation today was calm. In the meantime, government has sent a boat there to evacuate residents, the government news agency said.

SNA, quoting a local newspaper DE WARE TIJD, said an eight-man group doused the office of the state-owned Victoria Palm Company with gasoline last Wednesday before burning it to the ground. An unsuccessful attempt was made to burn down the company factory. During the operation, workers were kept at gun point, SNA said.

The rebel source said the Brunswijk guerrillas, using dynamite removed from a bauxite mine, had blown up a bridge in Albina, cutting off some 400 government troops from reaching the area. The rebels initially concentrated their activities in the eastern Marowijne District that includes the town of Albina, but the insurgency has since spread closer to the capital, with operations in the Brokopondo District, 60 kilometres south of Paramaribo. The palm oil facility was located at Victoria, 90 kilometres south of Paramaribo.

SNA said one Corporal Heinze was shot dead Monday by sniper fire while on patrol at Moengo, Marowijne District. Wilhelmina Gisela Gefferie, 54, was killed Tuesday in crossfire while soldiers were shooting at two suspected members of the rebel group, spotted at a petrol station. Also on Tuesday, seven armed men entered the homes of two policemen in Albina and made off with their shotguns, SNA said.

Suriname's Foreign Minister Henk Herrenberg told the current assembly of the Organisation of American States (OAS) in Guatemala City that the Bouterse government was being forced to divert limited resources to fight the war and that, as a result, the country's development process has suffered. Bouterse headed a group of Army sergeants who, disgruntled over a pay dispute with the elected government, staged a coup in the former Dutch colony on February 25, 1980.

There have been several attempts to oust the regime, amid a prolonged period of political and economic instability that saw the appointment of several civilian/military administrations by the Army leadership.